

AGRICULTURAL OUTLOOK



December 1981

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1982 Outlook Issue

AGRICULTURAL OUTLOOK

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In Brief... News of the 1982 Outlook

This year's large U.S. crops and the weak economic climate here and abroad will continue to dominate the agricultural outlook until well into 1982. Consequently, the farm sector faces the possibility of a third consecutive year of low net income. The outlook will be affected by the outcome of Northern Hemisphere winter crops and Southern Hemisphere summer crops, by the decisions of U.S. producers on spring planting, and by the timing of recovery from the current recession.

Meanwhile, the large crop supplies will likely hold farm prices down during 1981/82. Although domestic use and export volumes will rise, supplies will still exceed total use—boosting ending stocks. Despite large crops and lower feed prices, livestock producers will need economic recovery before prices rise significantly. Otherwise, large supplies of red meats and broilers will continue to hold prices down. Pork output will likely drop 4 to 6 percent in 1982, but from the second largest production year on record. Buoyed by the expansion phase of the cattle cycle, beef output could rise 2 to 4 percent, with broiler output rising slightly. Milk production could also increase—perhaps as much as 2 percent.

Although farm cash receipts have hit record highs each year since 1979, farmers' cash costs have risen faster, resulting in lower net cash income. After climbing 17 percent in 1979, cash receipts rose only 3 percent last year and are likely to grow only about 4 percent in 1981. Total cash expenses, however, likely rose about 9 percent in 1980 and again in 1981, more than offsetting the modest receipt increases. As a result, net cash income, which declined from a record high of \$36.5 billion in 1979 to \$31.7 billion last year, will likely be down to about \$29 billion in 1981—a 20 percent decline in 2 years.



The value of U.S. farm exports is projected to rise in fiscal 1982 for the thirteenth consecutive year. Volume is expected to climb nearly a tenth, accompanied by a 4-percent increase in value to \$45.5 billion. This forecast hinges on a projected 15-million-ton increase in grain and oilseed shipments, which should help moderate the decline in domestic prices over the course of the year. Imports are forecast to decline marginally, largely because of the economic recession in the United States. As a result, the agricultural trade balance is expected to widen 5 percent from last year's \$26.6 billion.

In 1982, grocery store food prices are forecast up 5 to 8 percent, with a 6-percent rise most likely. Food marketing costs are expected to climb 8 to 10 percent, while farm prices remain nearly unchanged. Prices at restaurants, cafeterias, and fast-food chains are forecast to rise 8 percent next year as the economy recovers from the current recession and consumer demand increases. Thus, retail prices for all food will probably increase about 7 percent in 1982—well below 1981's expected gain of 8.2 percent.

Commercial banks, aided by all-savers certificates, will likely have substantial funds available for agricultural loans—but at commercial interest rates. The Farm Credit System should also have adequate funds for lending, although interest rates will rise even if general rates continue to decline as expected. Expanded credit from equipment dealers trying to encourage sales and continued lending by life insurance companies will supplement financial institutions' lending to farmers.

In the years ahead, deregulation and decontrol of prices in energy industries will further expand production and lower imports. Agriculture will benefit from reduced supply interruptions, although prices will be higher. Deregulation of pesticide registration has emphasized comparison of benefits with hazards, reduced user exposure, and less reliance on hazard levels based largely on laboratory experiments with animals.

The U.S. transportation system will be able to meet agriculture's needs this year despite an expected strong upsurge in farm export volume following 1980/81's decline. In fact, thousands of jumbo covered-hopper cars sat idle in mid-October, while grains and soybeans were moving at a record pace. However, three sensitive issues—rail labor contracts, use of privately owned hopper cars, and waterway user charges—could redistribute traffic and congest certain points in the system.



Agricultural Economy

Going into 1982, inventories of farm products will continue to be large relative to demand in domestic and world markets. Yet developments in the weather, world economy, agricultural and trade policy, and other key areas could certainly modify this picture. Perhaps the most important variable in the agricultural outlook, outside of weather, is the performance of the domestic and world economies.

In 1981, some expansion in planted area, plus unusually good weather, triggered strong increases in world production of grains, oilseeds, and fibers. Strikingly, most of this year's gains took place in the United States, where crop production jumped 14 percent from the poor output of 1980 and livestock output increased 2 percent. Although U.S. farm exports should expand in the next 12 months, U.S. supplies of feed grains, rice, oilseeds, and cotton will still exceed projected use, pointing to sharp stock buildups.

Poor economic performance, both here and in most other countries besides the oil exporters, is sharply accentuating the effects of large supplies on American farmers. Slack demand is weighing on livestock product prices and moderating exports of farm commodities.

The export picture is especially complex. Not only have weak economic conditions and rapid inflation abroad cut into agricultural product demand, but the stronger dollar in 1981 has somewhat offset lower commodity prices, and high interest rates here and abroad have forced most users to buy on a hand-to-mouth basis.

Economic Growth Prospects Mixed

World economic activity should pick up somewhat next year. However, the outlook is still clouded by high interest rates, high unemployment, slow economic growth, high inflation, and serious balance-of-payments deficits for most nonoil-exporting countries.

Among the developed countries, Japan will probably show the best performance and the United Kingdom the weakest. Economic growth in Western Europe, which has been poor during 1981, may recuperate. In the United States, improvement in the second half of 1982 is expected to strengthen demand for farm products.

Economic growth in the developing countries probably won't match historical rates next year, but there is great diversity. OPEC countries, for example, are trying to slow their hectic pace of expansion, while the low-income developing countries are still struggling to recover from the oil price shocks of 1979-1980. Many have drawn down reserves, suffered high debt-service ratios, and grown more dependent on external aid. Next year won't bring much improvement. For some nonoil-exporting but rapidly expanding—developing countries, growth is likely to maintain its present fairly strong pace next year.

Trade with the Soviet Bloc To Expand

For the third consecutive year, poor weather has cut deeply into Russian grain production. Consequently, Soviet grain imports may reach an unprecedented 43 million tons in the coming year. The United States recently offered the Soviets up to 23 million tons of grain under the sixth year of our long-term bilateral grain agreement.

The sensitivity to overall food availability in Eastern Europe has been heightened by a smaller total grain harvest, burdensome debt-service commitments, and, in Poland, continuing political and economic difficulties. Tight food supplies have necessitated rationing in Poland and, more recently, in Romania. [Lorna Aldrich (202) 447-2317]

CROP HIGHLIGHTS

Wheat (U.S.)

The record U.S. wheat crop has pushed total 1981/82 supplies to 3.74 billion bushels, 14 percent above last year's alltime high. These large supplies, combined with prospects for a slight reduction in foreign production and increased world trade, have raised projections of U.S. wheat shipments to a record 1.9 billion bushels (51.7 million metric tons).

Domestic use is forecast to rise, with food use continuing to grow and feed use increasing fourfold. Feed use for 1981/82 is estimated at 200 million bushels.

The huge 1981 wheat harvest, the sluggish economy, record feed grain production, and the high cost of carrying inventories have combined to hold wheat prices down. The 1981/82 season average price is projected to range from \$3.80 to \$3.95 a bushel, compared with \$3.96 last season. [Randy Weber (202) 447-6688]

Rice (U.S.)

With a record 3.7 million acres harvested and generally favorable weather—which boosted the national average yield to a record 49 cwt per acre—this year's rice harvest is the largest ever. The November 1 production estimate of 183 million cwt exceeds last year's record by 37 million. On the strength of this crop, the total supply for 1981/82 is up 16 percent to nearly 200 million cwt. Although domestic use may expand, total use will fall far short of production, causing a dramatic buildup of rice carryover stocks to over 60 million cwt. The bumper supply and weaker demand will cause 1981/82 rice prices to fall significantly from last season's \$13 per cwt, possibly averaging \$9.00 to \$10.50. [Allen Schienbein (202) 447-8776]

Food Grains (World)

World food grain production in 1981 is now estimated at a record 858 million tons, up 3 percent from 1980. The increase, well over half of it in the United States, will be more than enough to meet the growing world food grain demand in 1981/82 and allow for a buildup in ending stocks.

While world crops of both wheat and rice are expected to reach record levels in 1981/82, trade levels for these two grains will move in opposite directions. Import demand for wheat is forecast to rise to a record level, but demand for rice will contract. World wheat trade will expand this year largely because the major importing countries—especially the USSR, Eastern Europe, Brazil, and Spain—have had particularly poor crops, while the major exporting countries have had record production. Such a pattern will lead to record world trade despite the static nature of global requirements for wheat. Most of the increase is expected to result from the larger requirements of the developing countries, which account for about two-thirds of the world's wheat imports. *[John Dunmore (202) 447-9160]*

Feed Grains (U.S.)

Although carryin stocks are 18 million tons below a year ago, this fall's record feed grain crop will boost U.S. supplies 12 percent from 1980/81. At 280 million tons, total feed grain supplies for 1981/82 are only 4 million below the 1979/80 record. These large supplies, lower expected prices, and some improvement in livestock feeding margins will lead to increased feed use in 1981/82. More normal winter weather than last year's mild conditions would also raise requirements.

For 1981/82, feed use of feed grains is projected at 130 million tons, up 6 percent from last season but still 6 percent below 1979/80. Larger broiler production will account for most of the increase in feeding this year, as pork production could be down more than 5 percent, and fed beef production may be virtually unchanged from a year earlier.

Exports Climbing as a Percentage of Production

Commodity	1970	1980
	Percent	
Wheat, including products . . .	55	64
Rice	52	63
Cotton	38	53
Soybeans, including meal . . .	53	51
Grain Sorghum	21	61
Dry Edible Beans	19	49
Almonds	23	44
Tobacco, unmanufactured . . .	30	38
Corn	12	36
Walnuts	7	23
Raisins	34	22
Poultry	2	6

Total feed grain exports for 1981/82 are forecast at a record 72 million metric tons, up 2.8 million from last season. Food, seed, and industrial use of feed grains will also increase this year, particularly as more corn will be used to produce gasohol and high fructose corn syrup. Total domestic use and exports of feed grains in 1981/82 are projected at 228 million tons, up 5 percent from 1980/81.

Despite the expected increase in both domestic use and exports, total use of feed grains in 1981/82 is still likely to fall well short of the record production. Thus, feed grain stocks in 1981/82 are likely to build to 53 million tons, 18 million above last season but about the same as in 1979/80. The stocks-to-use ratio in 1981/82 of 23 percent compares with 16 percent in 1980/81 and an average of 22 percent during 1977-79. *[James Rudbeck and Paul Meyers (202) 447-4243]*

Feed Grains (World)

The world feed grain situation and outlook for 1981/82 is characterized by a record crop in the United States, record or near-record production in other exporting countries, anticipated larger imports by the Soviet Union, and sluggish import demand elsewhere. These factors are combining to lower prices from those of a year earlier.

With expanded imports by the Soviet Union and several West European countries, world trade is currently forecast to rise 6 percent to a record 110 million tons. Production in most of the major foreign exporting countries—Canada, Australia, South Africa, and Thailand—is at record or near-record levels for the second consecutive year, so 1981/82 exports by these countries should increase at about the same rate as total world trade. These trade expectations hinge heavily on the outcome of the Southern Hemisphere harvests in early 1982 and on the absence of shipping difficulties.

World production is currently expected to exceed utilization by about 18 million tons. As a result, the rise in global ending stocks is anticipated to exceed last season's decline. Most of the stock increase will occur in the United States, but stocks in the other exporting countries are also projected to rise. *[James Rudbeck and Paul Meyers (202) 447-4243]*

Oilseeds (U.S.)

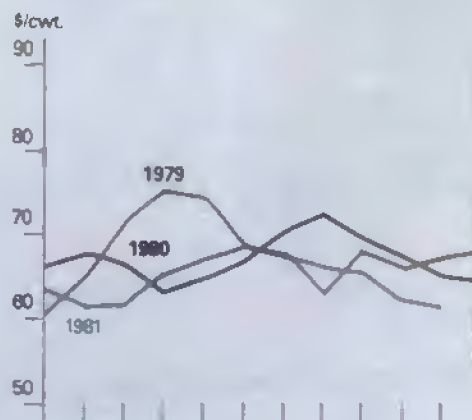
The oilseeds outlook is dominated by larger supplies and lower prices—particularly for soybeans, which account for 85 percent of U.S. oilseed output. Total U.S. oilseed production is forecast at 67 million metric tons, nearly 20 percent above 1980.

Although domestic use and exports are both expected to rise this season, the increase will fall far short of the change in supplies. Consequently, stocks will build, and inflation-adjusted prices of oilseeds and products, on average, will fall to their lowest levels in several years.

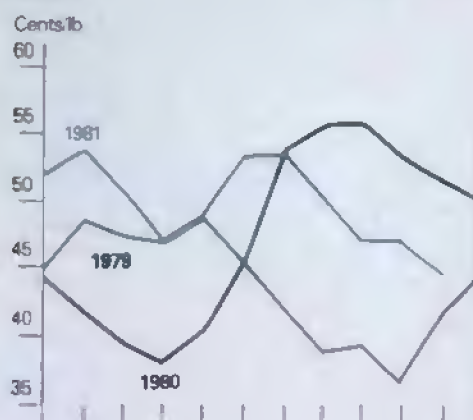
This season's larger soybean supplies and lower prices are expected to raise total use of soybeans to around 2 billion bushels, nearly 10 percent above 1980/81. Weak economic growth, high interest rates, a flat livestock sector, and the strong U.S. dollar will moderate increases in total use. Thus, the gain in use will be due more to lower prices than to any underlying shift in soybean demand.

Commodity Market Prices: Monthly Update

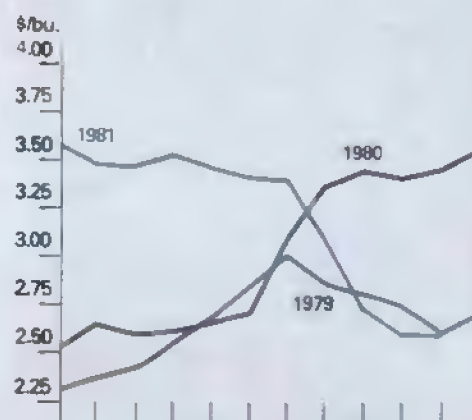
Choice Steers¹



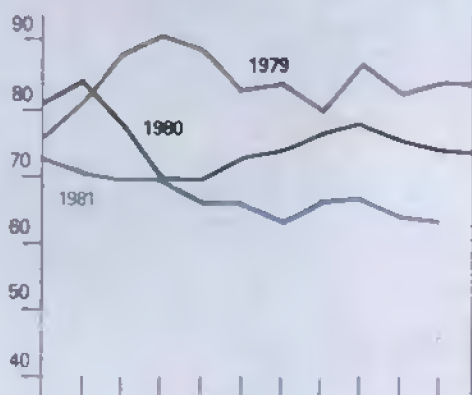
Broilers⁴



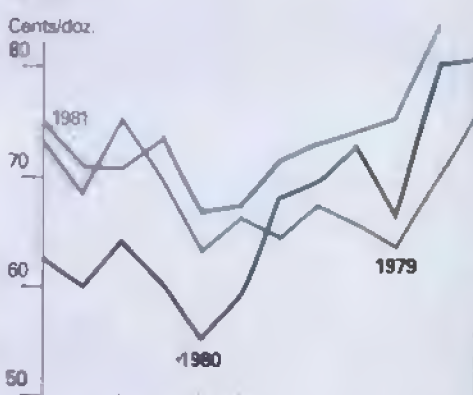
Corn⁶



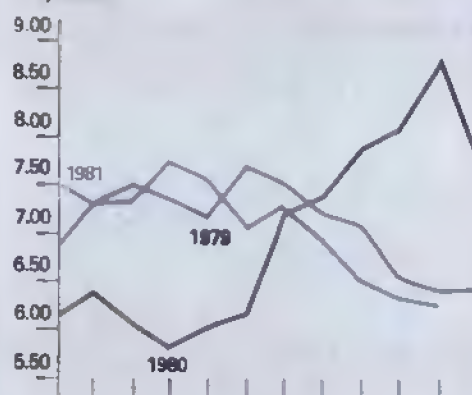
Choice Feeder Cattle²



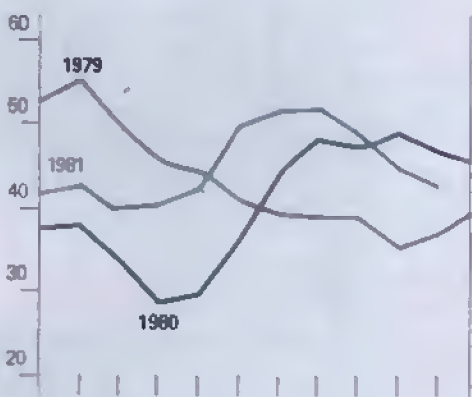
Eggs⁵



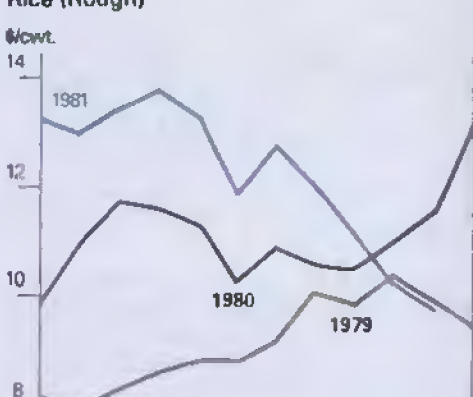
Soybeans⁷



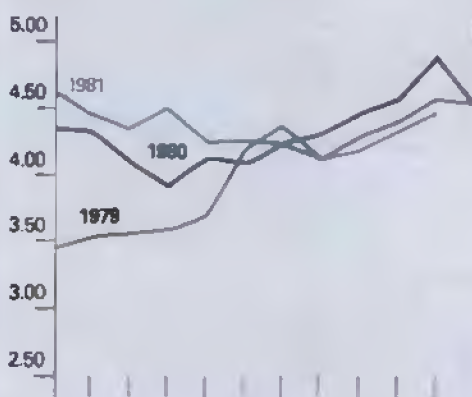
Barrows and Gilts³



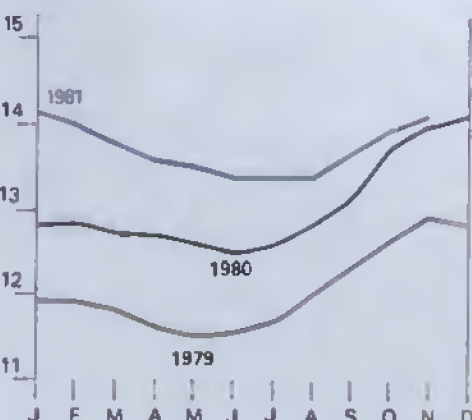
Rice (Rough)



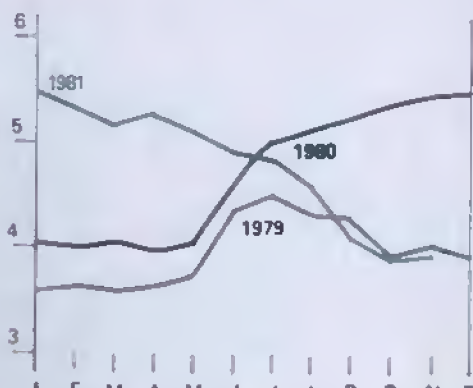
Wheat⁸



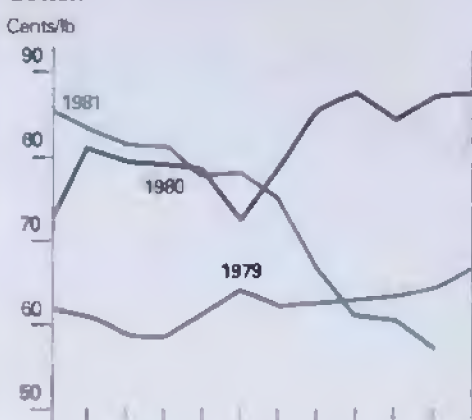
All Milk



Sorghum Grain



Cotton⁹



Prices for most recent month are mid-month prices
¹Omaha ²600-700 lbs., Kansas City. ³7 markets

⁴Wholesale, New York. ⁵Grade A Large, New York.

⁶No. 2 Yellow, Chicago ⁷No. 1 Yellow, Chicago.
⁸No. 1 HRW, Kansas City.
⁹Average spot market, SLM, 1-16"

Forecasts of soybean production and use for 1981/82 imply a record-high carryover of 405 million bushels on September 1, 1982—up from the 1980/81 carryover of 320 million. If realized, this season's carryover would be 20 percent of total use, up from 17 percent in the previous two seasons. During 1976/77-1978/79, the stocks-to-use ratio was below 10 percent.

Primarily because of this season's larger supplies and declining oil and meal prices, soybean prices are forecast to fall sharply. At the farm, prices are forecast to average \$5.75 to \$6.75 a bushel, down from the 1980/81 average of \$7.61. [Sam Evans (202) 447-8444]

Peanuts (U.S.)

U.S. peanut production has recovered from last season's drought-depressed harvest. Domestic food use of peanuts, which was off 19 percent in 1980/81 (August-July) because of the short supply, is expected to increase this year. Peanut crushings, which also fell in the past season, are likely to rise this year to 665 million pounds. Peanuts available for export will also rise, but exports are not expected to reach the level of 1979/80.

Although many growers have contracted a portion of their crop at premiums above the support level, the large outturn means much of this fall's crop will sell close to support. Farm prices for 1981/82 could average around 23.5 cents a pound, slightly below 1980/81. [Sam Evans (202) 447-8444]

Oilseeds (World)

Large world oilseed supplies going back to the extremely large crops of 1979/80—have backed up in the form of soybean oil and soybean stocks, largely in the United States. Soybean and soybean oil stocks increased sharply in 1979/80, and oil stocks were up again last season. Despite lower prices and larger world consumption, stocks of soybeans and oil are likely to climb again in 1981/82.

The 1981/82 world crop is only slightly above trend for meal and on trend for oil. But carryover stocks are again high, economies continue weak, and the livestock base is weak.

Large stocks of oil limited crush in 1980/81 and will again this year, but to a lesser degree. Soybean oil should be a little easier to move this season. For one thing, retail inventories are down. Also, Brazil's stocks of beans and oil are lower this fall than last year, as exports from the 1981 crop have moved earlier than a year ago. Finally, the increase in foreign oil-equivalent production will be less than last season. Nevertheless, there is a steady long-term pressure from large world supplies of fats and oils overhanging the market; in the past 2 or 3 years, this apparently has limited the world soybean crush. [Philip Mackie (202) 447-7037]

Cotton (U.S.)

The 1981/82 U.S. cotton crop is forecast at 15.6 million bales, 4.5 million above last season's drought-reduced outturn. The main reason for this increase is a sharp gain in the average yield, now estimated at 543 pounds an acre—only 4 pounds below 1979/80's alltime high.

The recession has eroded this season's prospects for domestic mill use. Sluggish demand for heavy-weight fabrics such as denim and corduroy (usually about 25 percent of cotton mill use), high interest rates, and a weak outlook for consumer expenditures on nondurables account for this season's mill use forecast of 6 million bales, only marginally above a year ago.

Some demand strength should come from exports, which are forecast at 7 million bales, almost 20 percent above a year ago. On balance, supplies will greatly exceed total demand, so this season's carryover is likely to be 5.4 million bales—double a year ago. Farm prices have reflected the expected stock buildup. At planting time, they averaged about 74 cents a pound, but during early harvest the average dropped below 60 cents. [Keith Collins (202) 447-8776]

Cotton (World)

Current prospects indicate that 1981/82 world cotton production will be a record 70.9 million bales, 8 percent above last year. Major producers showing significant gains are the United States (up 40 percent), China (up 7 percent), India (up 4 percent), and Pakistan (up 10 percent).

World consumption in 1981/82 is forecast at a record 66.9 million bales, almost 1.3 million higher than last season. This increase indicates at least a partial return to the high-growth pattern of the previous 10 years. China will account for almost 60 percent of the increase in foreign consumption. The current forecast depends on a general improvement in the world economy and a consequent strengthening of textile demand.

In China, the world's largest importer of cotton, consumption in 1981/82 is projected to rise 700,000 bales. China's textile demand grew steadily during the first part of the 1970's and has risen by over a million bales every year since 1977/78. Because of China's desire to provide more textile goods for domestic consumption and to expand textile exports, its cotton consumption should continue growing briskly in the foreseeable future.

World cotton stocks at the end of this season are now projected to increase around 3.7 million bales to 26.0 million, with the United States, China, and the USSR accounting for most of the increase. Foreign carryover is estimated at 20.7 million bales, the most since 1975/76. [Glenn Samson (202) 447-4168]

Fruit (U.S.)

Because of adverse weather last winter and spring, the fruit industry in 1981/82 will depart from the upward trend in production of the past several years. However, the bearing acreage for most fruits continues to increase, so production increases could resume in the years ahead. This season, substantial declines in production of apples, grapes, and oranges are likely to keep grower prices relatively high. Higher contract prices and good demand should also boost grower returns. With the anticipated moderate increase in input costs, profits to the fruit industry are expected to surpass last season's.

The smaller projected fruit supplies combined with rising marketing costs will continue to push up retail fruit prices. However, the sluggish economy may moderate price gains. Furthermore, there will probably be occasional promotional reductions for some processed items—particularly canned fruit and citrus juice—because supplies of these products are expected to be large relative to market needs. [Ben Huang (202) 447-7290]

Vegetables (U.S.)

Smaller supplies of fresh and processed vegetables this fall point to higher prices for both producers and consumers. Supplies of fresh vegetables during the fourth quarter of 1981 are approximately 6 percent smaller than last year, and processors have used about 2 percent less.

Prices paid to growers for fresh vegetables will advance seasonally this fall and average moderately higher than a year ago. During the last quarter of 1981 and the first half of 1982, retail prices for most processed vegetables will average moderately higher than a year earlier, reflecting tighter supplies and higher processing and marketing costs.

The acreage planted to 14 fresh-market vegetables since July 1 in major producing States is down 5 percent from October 1, 1980. Among the major crops, acreage will decline 4 percent for lettuce and 20 percent for tomatoes. Production of the 14 main vegetables is expected to dip to 35.1 million cwt from 39.0 million a year ago.

The area contracted for production of the nine processing vegetables in 1981 is estimated down 3 percent from 1980. Raw tonnage production under contract is expected to fall 3 percent from a year ago. Highlighted this season are substantial decreases in contract tonnage for tomatoes (55 to 60 percent of processed vegetable tonnage), down 8 percent; beets, down 23 percent; and green peas, down 6 percent. [Jules Powell (202) 447-7290]

Tobacco (U.S.)

Tobacco production this year is up about 14 percent from 1980 because of increased acreage and yields. Better growing conditions improved leaf quality. Prices are averaging well above last season, and cash receipts from the 1981 crop will likely rise a fourth to a record level. Supplies are up, although loan holdings are reduced.

Burley tobacco auctions opened for the 1981 season on November 23 with record high prices for most grades and negligible loan receipts. The largest crop since 1963 is eagerly sought because of short supplies worldwide. USDA regulations allow all of the crop to be sold in bales, but a major share will probably still be sold in the traditional manner.

The size of the 1982 crop depends in part on USDA's decisions on quotas, due by December 1 for flue-cured and by February 1 for burley and other kinds. The industry and growers favor keeping the flue-cured quota the same as this past season. Under that scenario, and with the required reduction because of over-quota marketings this season, the flue-cured effective quota could fall below 1 billion pounds for the first time. This situation would result in the smallest crop since 1943. [Robert Miller (202) 447-8776]

Tobacco (World)

The world tobacco outlook for 1982 indicates continued steady growth in consumption, a moderate expansion in trade, and a further reduction in stocks held by manufacturers in major consuming countries—all continuations of long-term trends.

Global output of cigarettes is expected to grow about 2 percent, with a higher rate of increase in the more advanced developing countries of Asia and Latin America. Cigarette consumption in many of the developed countries may show little growth; most of the increase in output will be for export to developing countries.

Actual leaf usage is expected to increase by less than 2 percent, as cigarettes gain in popularity relative to other tobacco products and as cigarette manufacturing efficiencies continue to improve worldwide.

In 1982, world leaf supplies will be in fairly close balance with anticipated demand. Estimated beginning stocks of 5.7 million tons (dry weight)—the lowest level in several years—would equal about 110 percent of anticipated use. Leaf production in 1982 will have to be maintained at least at the 1981 level to avoid a sharper-than-expected drawdown in stocks.

During the past 10 years, world leaf production increased at an average annual rate of a little over 1 percent; consumption grew by nearly 2 percent a year, and leaf exports expanded by about 3 percent. Within this framework of overall stable growth, developing countries have gained larger shares of production, exports, and consumption relative to those of developed and centrally planned countries.

The U.S. tobacco industry should see a gain in exports during 1982. With this year's larger and better quality flue-cured and burley crops, leaf exports could climb to around 270,000 tons. Export prices could rise 8 to 10 percent, pushing the export value to around \$1.6 billion. However, the strength of the dollar, stagnating consumption in Western Europe and Japan, and the high cost of holding inventories will continue to affect demand for U.S. leaf in these traditional markets. At the same time, competition from lower cost producers, such as Brazil and Zimbabwe, will continue to chip away at U.S. market shares. U.S. product exports—mainly of cigarettes—will continue to gain, with the 1982 export value possibly topping \$1.5 billion.

U.S. imports of leaf and scrap will edge upward as domestic leaf prices rise in line with the price-support formula. Imports next year could be around 180,000 tons. With prices for imported leaf and products rising about 18 percent, the total value of imports in 1982 could be nearly \$7 million. Tobacco's net contribution to the U.S. balance of trade in 1982 may be about \$2.4 billion. [Kenneth Howland (202) 447-3000]

LIVESTOCK HIGHLIGHTS

Cattle

As the upswing of the cattle cycle continues, beef production will likely rise 2 to 4 percent in 1982 following a 2- to 3-percent gain in 1981. Supplies will be large relative to the weak demand brought on by slow economic growth and constrained consumer budgets. Consequently, Choice steer prices at Omaha will be held to an average of \$64 to \$67 per cwt—at least through mid-1982, when the economy may improve.

Sharply lower feed costs than a year ago, much improved forage conditions, and moderating interest rates will help hold down production costs. Feeder cattle prices may improve slightly more than Choice steer prices as production costs decline, allowing cattle feeders to bid more for replacement feeder cattle. Cattle feeders will also face stronger competition from stocker operators with good forage supplies.

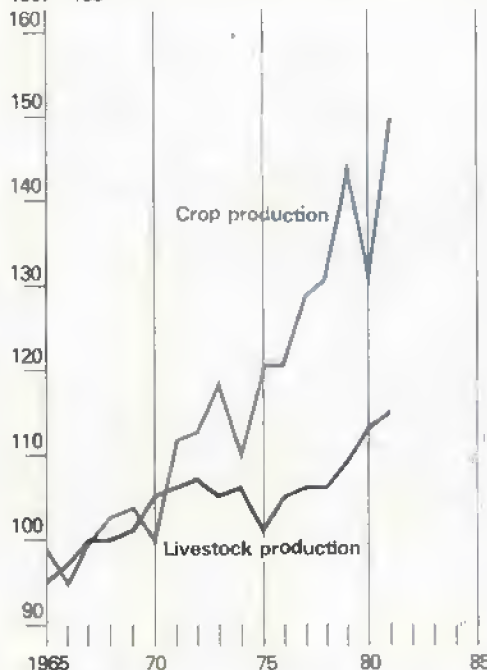
The expansion phase of the cattle cycle should continue over the next several years, barring poor forage supplies. Forage supplies are being constrained by higher costs of energy based inputs such as fertilizer and herbicides and by the continuing shift of land from pasture to crop production, which began in the early 1970's.

A majority of beef cow-calf operators raise their own replacement heifers, which reduces the out-of-pocket costs of herd expansion because it does not require new investment at today's high interest rates. This may, however, entail the loss of alternative uses of resources absorbed in herd expansion—particularly on cropland pasture.

World beef production was about unchanged in 1981 from a year ago, and little expansion is expected in 1982. Per capita world beef consumption is expected to continue declining in 1982, as it has since 1977. Beef production in Australia and New Zealand, the two major exporting countries, is expected to decline again in 1982. Export supplies from Central America and Canada may increase slightly. [Ron Gustafson (202) 447-8636]

Rise in Crop Production Outstripping Livestock Gains

1967 = 100



Hogs

Although down from a year ago, U.S. pork production continues to be relatively large. Commercial pork production in 1980 totaled a record 16.4 billion pounds, up 8 percent from 1979 and 24 percent more than in 1978. Through the first 10 months of 1981, pork output was down 5 percent from a year earlier. For the entire year, production will total around 15.6 billion pounds, 5 percent less than in 1980 but still the second largest on record.

The large pork production of the last 3 years has depressed hog prices. Combined with rising production costs, this has generally caused financial losses for most hog producers. As a result, producers have cut the U.S. breeding inventory, which has shown year-to-year declines since early 1980.

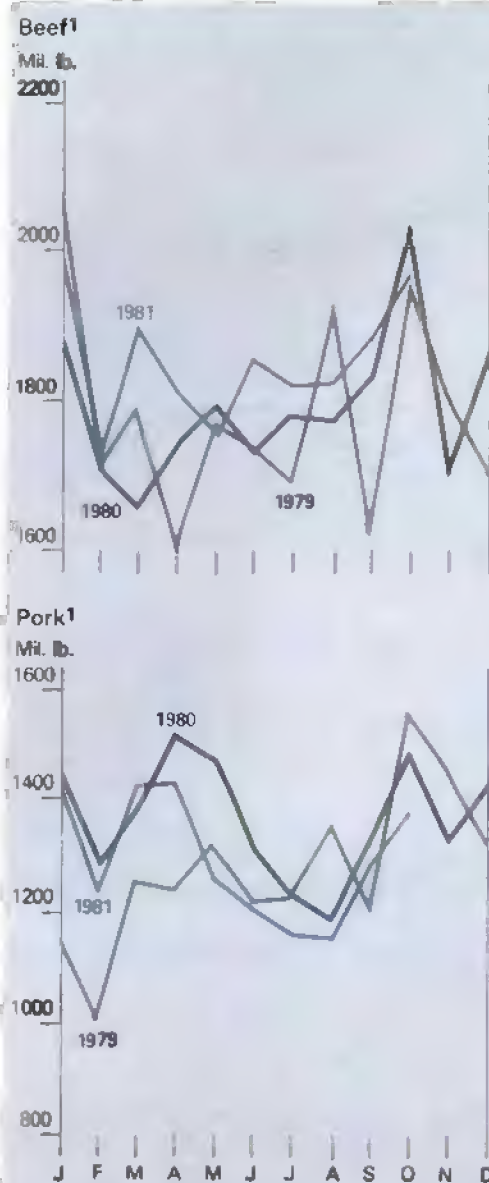
As pork production dropped this year, hog prices strengthened. Declining feed prices and moderating total production costs have improved producer returns. This has led hog producers to adjust management plans so that the rate of decline in pork output will moderate during 1982. Based on September 1, 1981, hog inventories and producer plans, pork output is expected to decline 4 to 6 percent next year. The largest declines will come early in the year, with late-1982 production approaching that of late 1981.

This level of output would still be relatively large, especially considering the expected supply of other meats and consumers' purchasing power next year. Hog prices likely will strengthen in 1982, but with total meat supplies continuing large, the average price of barrows and gilts at 7 markets is expected to be \$45 to \$49 per cwt.

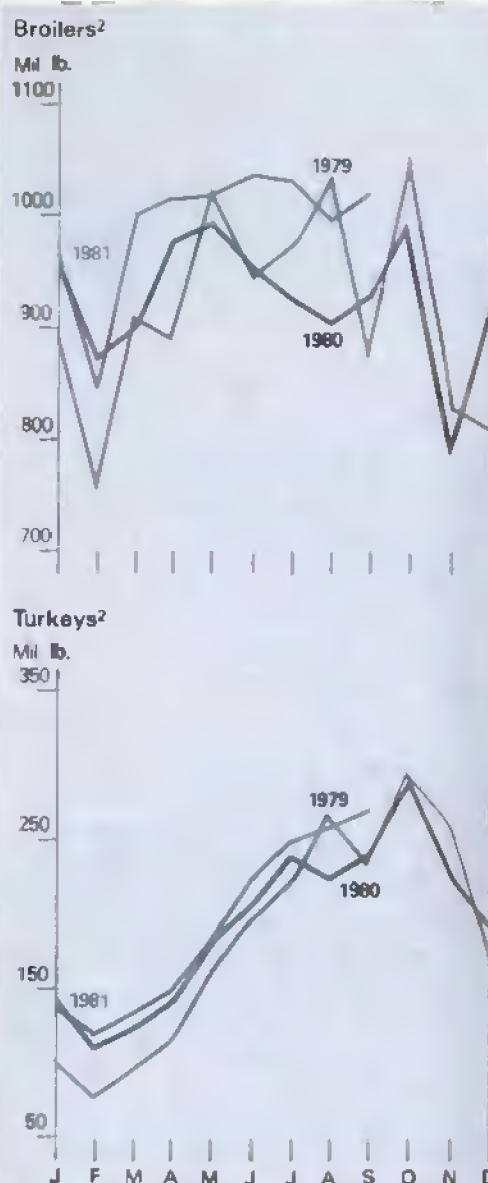
World pork supplies have tightened this year. Reduced feed supplies last year sharply raised feed costs in many countries. Furthermore, slow economic growth weakened hog prices and put producers in an economic squeeze. As a result, 1981 world pork production has slipped a little below last year. Next year, world pork output is expected to be about the same as in 1981, with larger feed supplies giving pork producers a break on production costs. [Jim Nix (202) 447-9805]

Broilers (U.S.)

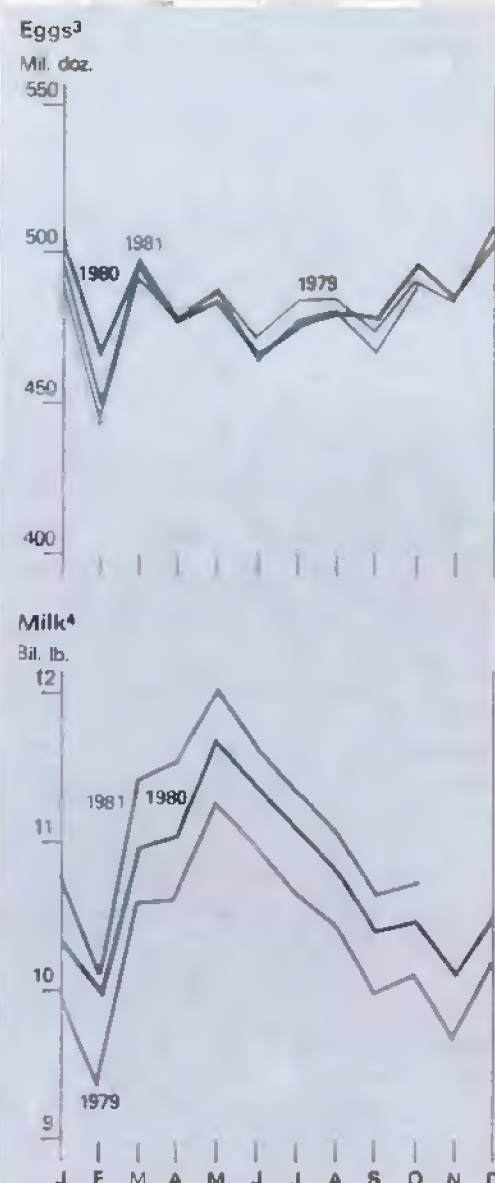
Competing meat supplies, particularly of pork, will heavily influence broiler output and returns in 1982. Pork output could be down 4 to 6 percent and beef up 2 to 4 percent. With the expected slow economy, producers must restrain total supplies of red meats and poultry for price strength to materialize. Broiler producers, however, are likely to respond quickly to price strength if it develops.



¹Commercial production.



²Federally inspected slaughter, certified.



³Farm production. ⁴Total production.

Improvement in cost prospects and stabilization of the hatchery supply flock suggest that producers are planning a slight expansion for 1982. Broiler output in the first and second quarters may rise somewhat from 1981, especially if reduced pork production lifts prices from current low levels. Third-quarter output will likely equal the second quarter, with fourth-quarter production likely near a year earlier if pork production also holds near 1981 levels.

Broiler prices in 1982 are expected to strengthen from 1981 levels. The 9-city weighted average wholesale broiler price in first-half 1982 may be slightly weaker than this year. But in the second half, the expanding economy may strengthen prices provided broiler production slows. [Allen Baker (202) 447-8636]

Broilers (World)

International trade in poultry products will expand again in 1982. The United States will continue as the world's leading single-country exporter of poultry meat, possibly shipping 440,000 to 470,000 tons—roughly 10 to 15 percent above the 1981 figure. The major U.S. markets are expected to be the Middle East, the Far East, and the Caribbean. However, as in the past, U.S. poultry meat exports will probably be more widely distributed among destinations than those of its major competitors.

In 1982, competition among the leading exporters will intensify. As in the past, the United States' major competitor will be the European Community (EC), France in particular. Other EC members exporting substantial quantities of poultry to non-EC countries are the Netherlands, West Germany, and Denmark. The other major competitors for poultry meat export markets in 1982 will continue to be Brazil and Hungary. [James Gruff (202) 447-2461]

Eggs

Production may continue to trail year-earlier levels in the first half of 1982, with the total for the year forecast to be even with 1981 to down 2 percent. If producers reduce output in the first half, egg prices may average 73 to 75 cents a dozen, up from 70 cents this year. In the second half of 1982, egg prices may average 76 to 78 cents a dozen if the economy improves. [Allen Baker (202) 447-8636]

Turkeys

Large holdover stocks will help push turkey production down 4 to 6 percent in 1982. Turkey output may decline about 3 percent in the first half and 8 to 10 percent in the second half. Prices of young hens may average 53 to 57 cents during the first half of 1982, down from 62 cents this year. If turkey production falls as expected, cold storage stocks will likely be much lower than this year—helping to support prices in the second half. If the economy picks up, turkey prices may average 67 to 71 cents a pound in the second half of 1982. [Allen Baker (202) 447-8636]

Dairy (U.S.)

In 1982, the expansion in milk production—which began in mid-1979—may slow if support prices remain level throughout the year. Farm milk prices may only increase 1 to 2 percent over 1981—with most of that gain occurring in the second half, if production adjustments occur.

Milk-feed price relationships will still be favorable, but gains in output per cow may slow as older cows are culled from the herd and replaced by first-lactation heifers. However, as these heifers move to later lactations, gains in output per cow could again pick up. In addition, with limited off-farm opportunities and low utility-cow prices, the culling rate could remain low, with cow numbers exceeding year-earlier levels during most of the year. Under these conditions, total milk production in 1982 may range from even with to 2 percent above 1981's record, with gains in the first half more than offsetting somewhat lower production later in the year.

The all-milk price likely will average about \$13.75 for all of 1981, up about 6 percent from 1980. With excess supplies, prices in the first half of 1982 will be about the same as a year earlier. If production adjustments occur during the second half and the general economy improves, prices would likely move above year-earlier levels.

During the first 9 months of 1981, USDA purchases under the price-support program totaled 11.2 billion pounds (milk-equivalent fat basis), compared with 7.4 billion a year earlier. This 9-month total represented about 11 percent of total estimated farm marketings. Through September, butter removals totaled 307 million pounds, up from 208 million a year earlier. American cheese purchases totaled 490 million pounds, up from 307 million, while purchases of nonfat dry milk were 677 million pounds, up from 524 million.

The purchase picture has not changed yet; during October, USDA removed all three products from the market in amounts greater than in 1980. This is not surprising, however, since supplies remained large and products manufactured during the first 20 days of October could be sold to the Commodity Credit Corporation at temporarily higher purchase prices. Purchases of all three products likely will continue heavy in 1982—although purchases will slow late in the year if production adjustments occur. [Charles Shaw (202) 447-8636]

Dairy (World)

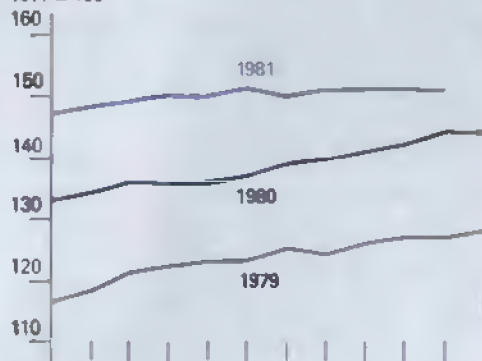
Milk: World milk output will likely rise about 1 percent in 1982, as conditions are expected to improve in the Soviet Union, New Zealand, and Australia. India, Canada, and Brazil increased output in 1981, but declines occurred in the Soviet Union and Poland because of feed grain and forage problems and in New Zealand and Australia because of hot weather and drought. In the 10 European Community (EC) countries, which account for nearly 30 percent of world milk output, cow numbers have declined, and total milk output appears to have nearly stabilized.

Butter: World butter production has remained near 6 million tons since 1976 and is expected to continue at that level in 1982. U.S. butter production is up sharply—an estimated 8 percent this year—reflecting the sharp rise in raw milk available for manufacturing dairy products. With commercial use down slightly, U.S. stocks increased rapidly during the first half of 1981, with most of the surplus moving into stocks owned by the government. In April, the Commodity Credit Corporation (CCC) sold 30,000 metric tons to Poland. Then in August, the CCC sold 100,000 metric tons of its inventory (about one half) to the New Zealand Dairy Board. New Zealand intends to convert most of this butter into butteroil for sale on world markets, particularly for recombining with nonfat dry milk to make a fluid milk product.

Prime Indicators of the Agricultural Economy

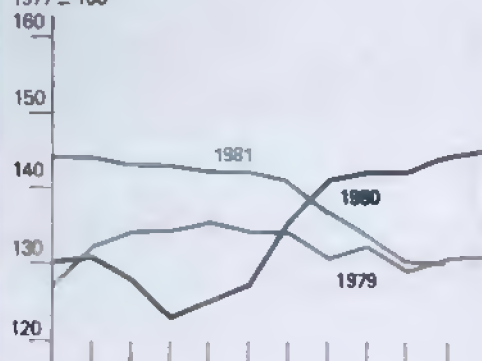
Prices Paid by Farmers¹

1977 = 100



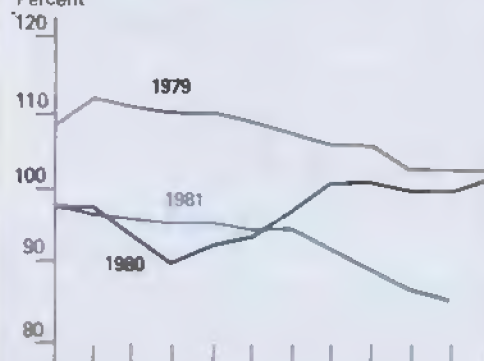
Prices Received by Farmers²

1977 = 100

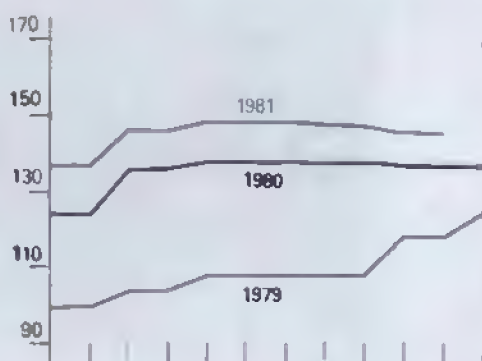


Ratio of Prices Received to Prices Paid

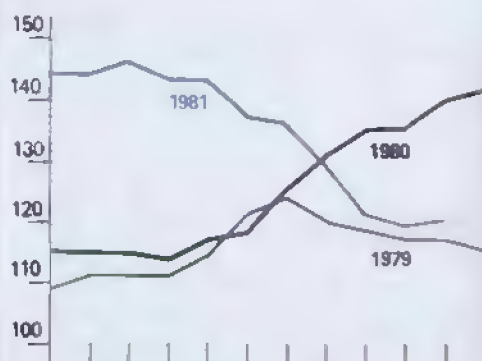
Percent



Fertilizer Prices

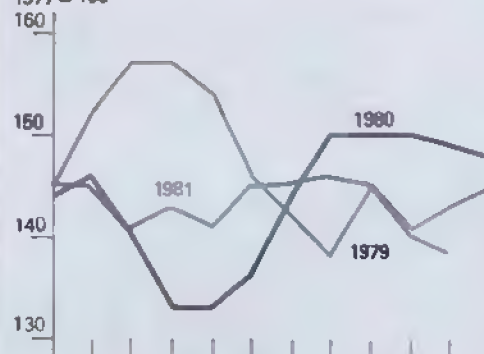


All Crops

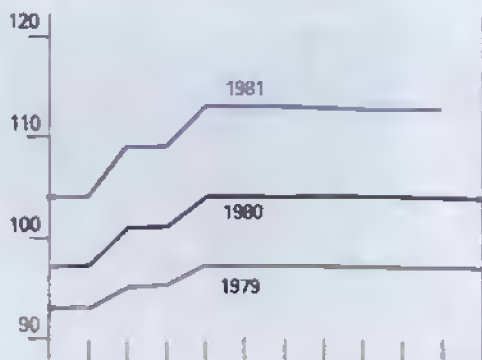


Livestock and Products

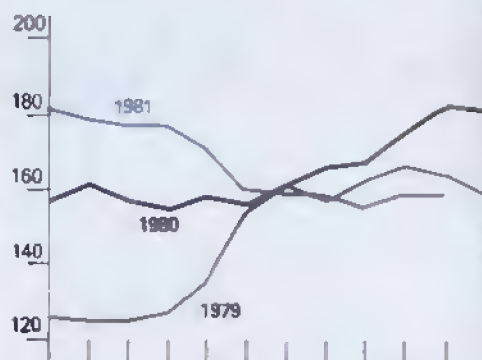
1977 = 100



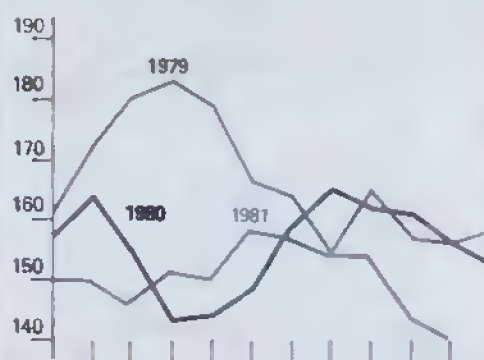
Agricultural Chemicals



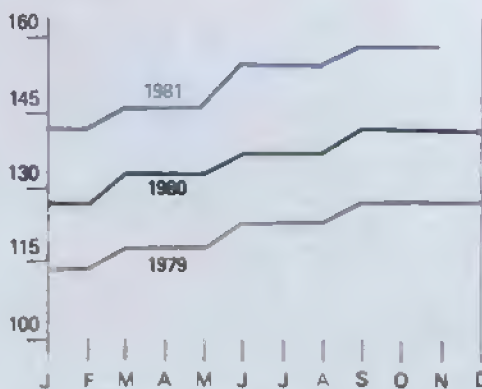
Food Grains



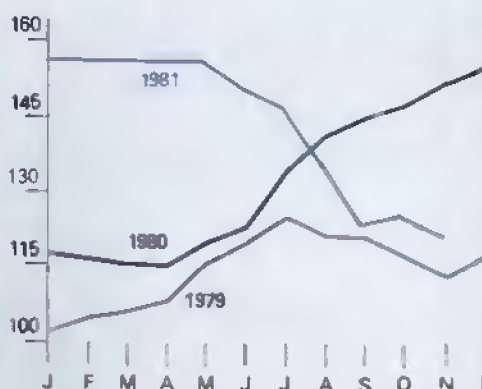
Meat Animals



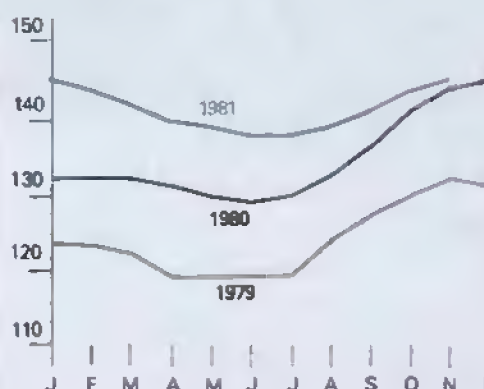
Tractors and Self-Propelled Machinery



Feed Grains and Hay



Dairy Products



¹For commodities and services, interest, taxes, and wages

All series except "Ratio of Prices Received to Prices Paid" are indexes based on 1977 = 100.

²For all farm products.

New Zealand and the EC are the world's leading exporters of butter. Excluding intra-EC shipments, these two major exporters of dairy products account for around 85 percent of the world butter trade. The EC subsidizes butter exports to limit excessive buildup in its intervention (government-owned) stocks. The most recent EC export subsidy is \$1,155 per metric ton, or 52 cents a pound.

Nonfat dry milk: World production of nonfat dry milk powder this year is estimated at nearly 4.2 million metric tons, only slightly above 1980's output. Little change in production is anticipated for 1982.

World stocks at the end of 1981 are likely to be up sharply from ending 1980 levels, and they may climb further during 1982. U.S. stocks, even after large CCC sales to Mexico and Poland this year, are expected to exceed 400,000 metric tons by the end of this year and are approaching 45 percent of world inventories.

The EC, also plagued by large inventories from 1972-1978, has sharply reduced stock levels through increases in both domestic use and exports. Export subsidies on nonfat dry milk are \$410 per metric ton, or 19 cents a pound.

Cheese: World cheese manufacture will likely rise 1 percent in 1982, with EC production climbing 2 percent and Australia and New Zealand recovering from weather-related problems. The 1981 increase of 2 percent followed gains of 4 percent in the previous 3 years. Cheese production is up about 7 percent in the United States this year, 3 percent in the EC, and over 2 percent in the other non-EC Western European countries and Canada. However, 1981 cheese output may be down in Argentina, Brazil, Australia, New Zealand, and the USSR.

By the end of December, world stocks of cheese may near 1.3 million metric tons, up 11 percent from the end of 1980. A similar rise is projected for next year. The jump in both 1981 and 1982 is largely due to the rapid growth in U.S. stocks. If the government makes no significant sales for export and stocks grow as anticipated next year, the United States could end 1982 with 45 percent of world cheese stocks.

Casein: Most of the world's supply of casein is manufactured in only 9 countries, with New Zealand, France, and Poland accounting for one-half of the 9-country total. World casein production for 1981 is estimated at around 190,000 metric tons, down 8 percent from 1980. At this point, it appears that 1982 casein manufacture may continue near this year's level. The United States does not produce casein because it can obtain it more cheaply in the world market. During 1980, U.S. purchases totaled 69,000 metric tons, about one-third of last year's world casein output. U.S. imports are down sharply this year and through August were running some 20 percent below January-August of 1980.

New Zealand's casein output dropped significantly in 1981, partly because of its reduced milk production. Last year, New Zealand exported over half its casein output to the United States (about 35,000 metric tons). For the first 8 months of 1981, U.S. imports of casein from New Zealand were nearly one-fourth below the comparable months of 1980.

The EC subsidizes the manufacture of casein. But in response to rising casein prices in world markets and budgetary problems, the EC reduced its casein aid during the spring of 1980. The lower EC subsidy has helped curtail 1981 casein production in France and West Germany, and those countries are not expected to expand output in 1982. The EC subsidy on casein manufacture is still significant at about \$2,100 per metric ton, or 95 cents a pound. Casein prices currently are around \$3,400 to \$3,500 per metric ton (\$1.55-\$1.60 a pound) delivered to the United States. [William Paddock (202) 447-6553]

NOTICE: Annual SRS Reports Due Soon

Annual reports from the Crop Reporting Board will start being issued in January. These reports will summarize statistics gathered during 1981 for the various commodity groups and other special series. Below is a listing of release dates for the 1982 annuals.

January

13	Noncitrus Fruits & Nuts
14	Crop Production
15	Honey
28	Layers & Egg Products

March

12	Hatchery Production
15	Livestock Slaughter
25	Cold Storage

April

2	Meat Animals: Production, Disposition & Income
8	Poultry: Production, Disposition & Income
9	Field Crops: Production, Disposition & Value

May

21	Seed Crops
24	Milk: Production, Disposition & Income

June

1	Dairy Products
4	Vegetables
30	Agricultural Prices

Copies will be available from SRS-Crop Reporting Board, USDA, Room 5829-South Bldg., Washington, D.C. 20250. Ask for the report (s) by title.



Farm Income Update

The farm sector, having experienced its second consecutive year of low net income, now faces the possibility of a third. Net cash income from farming in 1981 will be about 20 percent below 1979's peak, and a further decline is possible in the year ahead.

Cash Flow Squeezed

Although farm cash receipts have hit record highs each year since 1979, farmers' cash costs have risen faster, resulting in lower net cash income. After climbing 17 percent in 1979, cash receipts rose only 3 percent last year and are likely to grow only about 4 percent in 1981. Total cash expenses, however, likely rose about 9 percent in 1980 and again in 1981, more than offsetting the modest receipt increases. As a result, net cash income, which declined from a record high of \$36.5 billion in 1979 to \$31.7 billion last year, will likely be down to about \$29 billion in 1981—a 20 percent decline in 2 years.

Even if the rise in production costs moderates in the year ahead, falling within a range of 6 to 9 percent, commodity prices are unlikely to strengthen enough to offset the rise. Current prospects indicate cash receipts may increase 3 to 6 percent in 1982. Thus, net cash income could decline another \$1 to \$3 billion, reaching its lowest nominal level since 1977.

Gain in Cash Receipts Slows

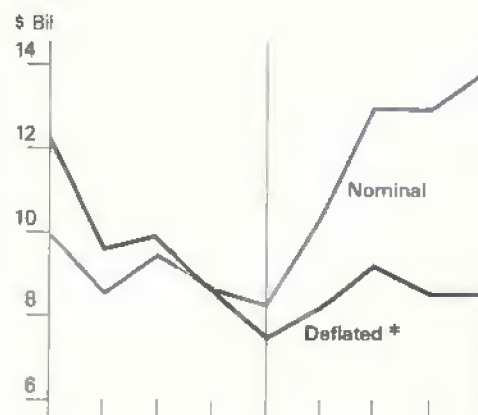
Crop receipts in 1981 will be up about 7 percent to \$74 billion, with livestock receipts up 2 percent to \$69 billion. Prices received by farmers for livestock this year will be about the same as in 1980, but prices received for crops will be about 7 percent higher. In the livestock sector, lower 1981 cash receipts from cattle and calves are being offset by higher receipts from hogs, poultry, and dairy.

As in 1980, crop receipts have risen more than livestock receipts. During the first half of 1981, reduced marketings from the drought-shortened 1980 crop combined with increased export demand to keep crop prices and cash receipts well above a year earlier. Then, in the second half, large U.S. crop production—including record harvest of grains—plus sluggish domestic and world demand caused crop prices to tumble below year-earlier levels. However, increased volume offset lower prices, keeping cash receipts about even with a year ago in the second half.

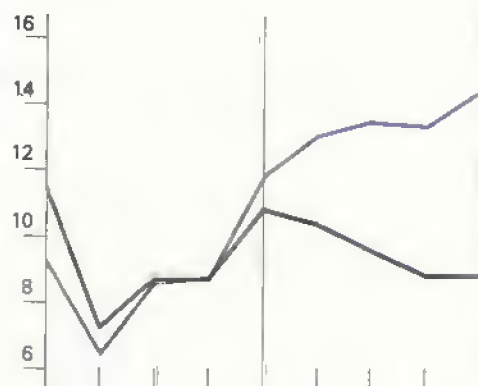
Larger marketings and lower prices will most likely prevail through the first half of 1982, moderating increases in crop receipts. During the second half of next year, crop receipts will be largely determined by the size of 1982 crops.

Crop Receipts Adjusted for Inflation

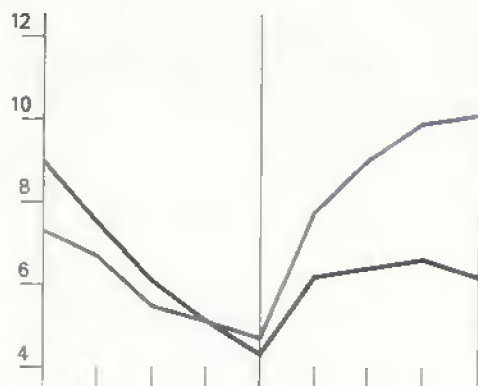
Corn



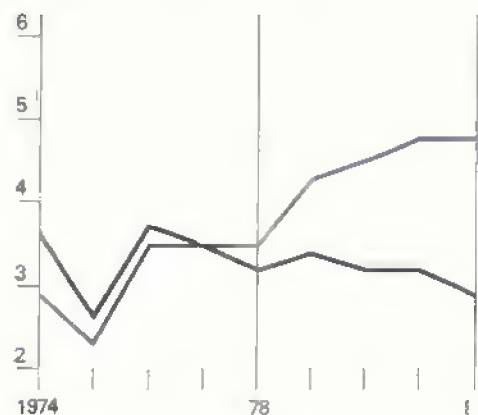
Soybeans



Wheat



Cotton

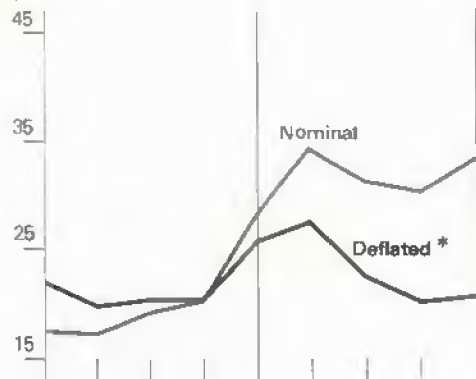


* Deflated by the index of prices paid.
1982 forecast.

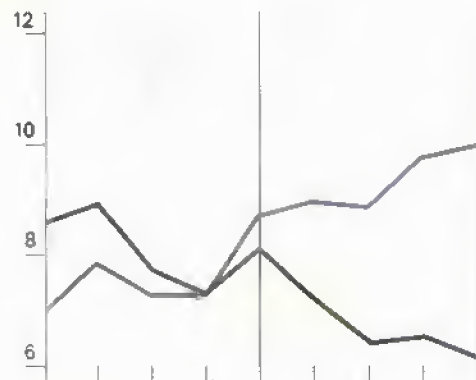
Livestock Receipts Adjusted for Inflation

Cattle

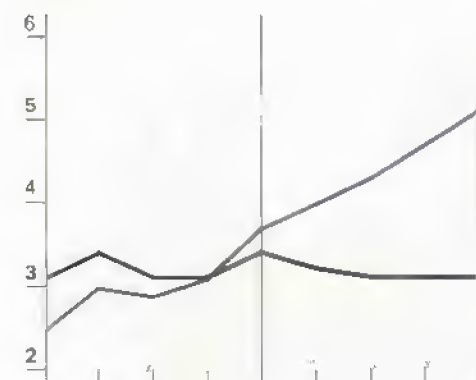
\$ Bil.



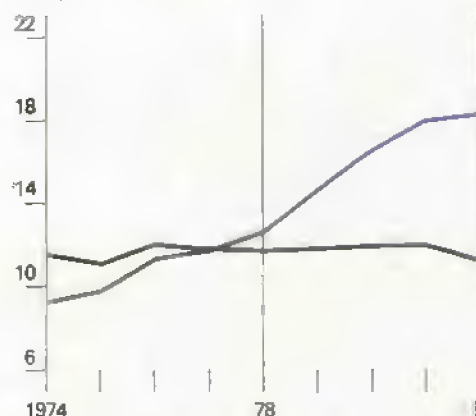
Hogs



Broilers



Dairy



* Deflated by the index of prices paid.
1982 forecast.

Farm Income¹, 1977-1981

	1977	1978	1979	1980	1981 _f
Billion Dollars					
Cash Receipts:					
Crops	48.7	53.7	63.4	69.0	74
Livestock	47.6	59.2	68.5	67.4	70
Total	96.3	112.9	131.9	136.4	144
Other Cash Income	1.6	1.7	2.1	2.2	2
Government Payments	1.8	3.0	1.4	1.3	2
Total Cash Income	99.7	117.6	135.4	139.9	146
Cash Production Expenses	74.4	83.2	98.9	108.2	118
Net Cash Income	25.3	34.4	36.5	31.7	28

¹ Includes farm households.

Prices Paid Moderate along with Inflation
Farm input prices have stabilized in recent months, but prices paid by farmers for production items in 1981 are still expected to end up about 8 percent above a year ago and almost 20 percent above 2 years ago. Record interest rates on the growing farm debt will more than offset the slowdown in other production costs, boosting total production expenses 8 to 10 percent in 1981.

Interest rates now have greater significance for the farm sector than ever before because of the increasingly capital-intensive nature of farming, which forces farmers to finance more of their annual operating costs—especially during years of declining farm income. During the 1970's, the farm sector's total debt increased an average of 12 percent a year. Rising rates increased interest expenses substantially during the 1970's. They currently make up about 13 percent of farmers' total production costs, compared with about 7-1/2 percent 10 years ago.

In 1981, total interest costs on real estate and nonreal estate debt will reach about \$19 billion, a jump of nearly 20 percent from 1980. The average interest rate on all debt outstanding in 1981 will likely be over 10 percent, up nearly 1 percentage point from 1980.

Even if the nominal interest rate on agricultural loans moderates or declines in 1982, the average rate on all debt outstanding will continue to rise as rates on new loans are higher than on those being retired. With higher average interest rates and continued expansion in total debt, farmers' interest expenses in 1982 will likely climb substantially.

Moderation in the underlying rate of inflation in the general economy should help moderate prices for energy-based inputs such as fuel, fertilizer, and chemicals. In addition, the squeeze on farm income over the last 2 years likely will prevent input use from rising significantly. Consequently, outlays for farm production expenses in 1982 may rise only 6 to 9 percent, the smallest increase since 1975.

Farm Equity Up, Despite Rising Debt

While net farm income is currently depressed, the value of farm-sector assets has continued to rise somewhat faster than farm debt, leaving farm equity higher. At the beginning of 1981, total assets of the farm sector, including households, were \$1.09 trillion. This was balanced by total liabilities of \$175 billion and proprietors' equity of \$916 billion. Per-farm equity at the beginning of 1981 was almost \$380,000, 25 percent above 1979. However, serious cash-flow problems over the last 2 years have forced many farmers to borrow heavily against their equity.

Farm debt has nearly doubled in the past 5 years. The farm sector's debt-servicing burden has grown even more sharply as farmers have financed more debt in the open market, where rates are higher, and have rolled over old debt at the higher current rates. As a result, the farm sector's debt-income ratio has doubled over the past 2 years.

Farmers have coped with cash-flow problems by rescheduling debt payments, taking on more debt, and postponing large capital expenditures. Reflecting declines in net income during 1980, farmers tightened their belts and reduced capital expenditures by about 8 percent, the first such year-to-year decline since 1968. With lower capital expenditures, total debt also rose more slowly than in 1979. However, debt outstanding may rise 10 percent or more by January 1, 1982, as farmers borrow more heavily to cover current-year operations.

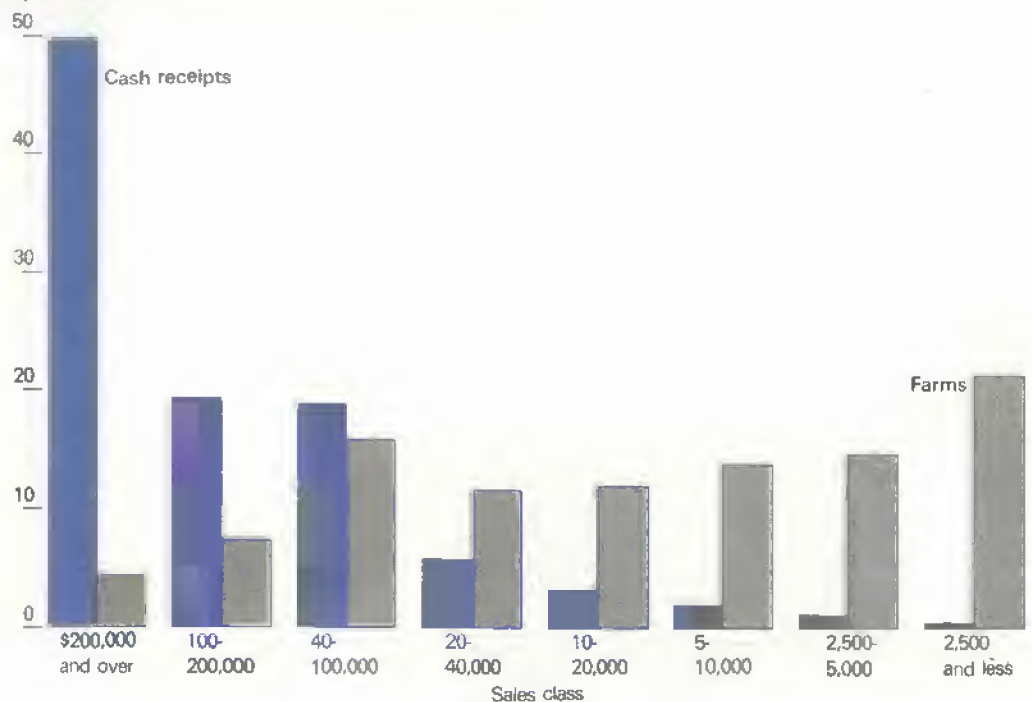
After 2 years of reduced incomes, it seems likely farmers will continue to curtail capital expenditures. Nevertheless, after 2 years of deferring such expenditures, machinery and equipment need to be replaced. But the availability of credit will become an even greater problem if asset values—particularly for farmland—rise more slowly or stabilize and lenders become less willing to extend credit secured by farm real estate.

Some Farms Prospering

Crop farmers have generally fared better than livestock farmers over the past 2 years. After deflating by the input price index, crop cash receipts in 1981 were only about 4 percent below 1980, and 1980 receipts were the highest in several years. Deflated livestock receipts dropped 5 percent in 1981 to a level 16 percent below 1979.

Five Percent of Farms Garner Half of Cash Receipts

% of total in 1980



Within the crop sector, real receipts have risen during 1978-81 for wheat and corn producers, while falling 18 percent for soybean growers. Crop farmers whose yields were severely reduced by last year's drought could not take advantage of high prices in 1980; therefore, they likely had low incomes over the past year. But many crop farmers in the Eastern Corn Belt and Lake States had record yields in 1980 and may also have had record-high incomes. In the livestock sector, deflated receipts to cattlemen have declined 27 percent since 1979, while those to dairy farmers have risen.

During the past 2 years, the economic health of individual farms has largely hinged on their level of indebtedness and the degree of reliance on credit to finance farm operations. Well established farmers with low debt and minimal credit needs can better withstand temporary periods of cash-flow declines than can new entrants to farming. Some farmers with recent large asset purchases financed at high interest rates may be forced to liquidate.

Generally, large farmers are more likely to be overextended on debt. Farms in the smaller sales classes of less than \$10,000 a year have debt-to-asset ratios of 5 to 7 percent, compared with an average of 20 percent for farms with sales of \$100,000 or more.

[George Hoffman, Allen Smith, and Gary Lucier (202) 447-4190]



World Agriculture and Trade

1982 EXPORT OUTLOOK

The value of U.S. agricultural exports is projected to rise in fiscal 1982 for the thirteenth consecutive year. Volume is expected to climb nearly a tenth, accompanied by a 4-percent increase in value to \$45.5 billion. This forecast hinges on a projected 15-million-ton increase in grain and oilseed shipments, which should help moderate the decline in domestic prices over the course of the year. The agricultural trade balance is expected to widen 5 percent from last year's \$26.6 billion. Imports are forecast to decline marginally, largely because of the economic recession in the United States.

Wheat Exports To Maintain Record Pace

An increase in world demand, a bumper U.S. wheat crop, and a disappointing Argentine harvest are expected to push U.S. wheat and flour exports over 50 million tons in fiscal 1982—a third straight record year. Shipments to China—our largest market—are projected to remain around 8 million tons. Poor

U.S. Agricultural Exports

Commodity	1979	1980	1981 p	1982 f.
Billion dollars				
Grains and feed	13.459	18.512	21.906	22.3
Wheat & wheat flour	4.775	6.555	7.965	9.2
Rice . . . . .	.885	1.171	1.538	1.1
Feed grains	6.658	9.102	10.402	10.2
Oilseeds and Products	8.692	10.017	9.400	9.4
Soybean cake and meal	1.365	1.642	1.596	1.5
Soybeans	5.444	6.164	5.986	5.8
Soybean oil . . . . .	.706	.782	.457	.6
Seeds . . . . .	.179	.242	.285	.3
Livestock Products	3.160	3.096	3.136	3.6
Dairy products . . . . .	.120	.161	.251	.4
Poultry products . . . . .	.368	.546	.765	.8
Cotton, including linters	1.910	3.033	2.248	2.6
Tobacco	1.292	1.349	1.339	1.5
Fruits, vegetables & nuts	2.066	2.699	3.084	3.3
Sugar and tropical products . . . . .	.733	.826	1.374	1.3
Total	31.979	40.481	43.788	45.5
Million metric tons				
Wheat	31.340	36.066	42.246	50.0
Wheat flour . . . . .	.877	.882	.949	1.0
Feed grains	59.504	71.159	69.004	72.2
Rice	2.397	2.955	3.172	2.6
Other grain products . . . . .	.963	1.074	1.194	1.3
Feeds and fodders	4.304	6.242	5.820	5.8
Soybeans	20.194	23.833	19.972	22.6
Soybean meal	5.996	7.175	6.140	6.5
Other oilcake and meal . . . . .	.294	.425	.450	.5
Soybean oil	1.059	1.220	.739	1.0
Other vegetable oils . . . . .	.460	.596	.838	.9
Sunflower seed	1.342	1.927	1.426	1.4
Cotton, including linters	1.396	2.047	1.265	1.6
Tobacco . . . . .	.287	.283	.252	.3
Fruits, nuts and vegetables	2.808	2.967	3.249	3.6
Beef, pork, & variety meats . . . . .	.326	.345	.447	.4
Poultry meat . . . . .	.208	.320	.395	.4
Animal fats	1.276	1.508	1.515	1.5
Other	2.430	2.853	3.540	3.6
Total	137.461	163.877	162.613	177.3

p = preliminary, f = forecast.

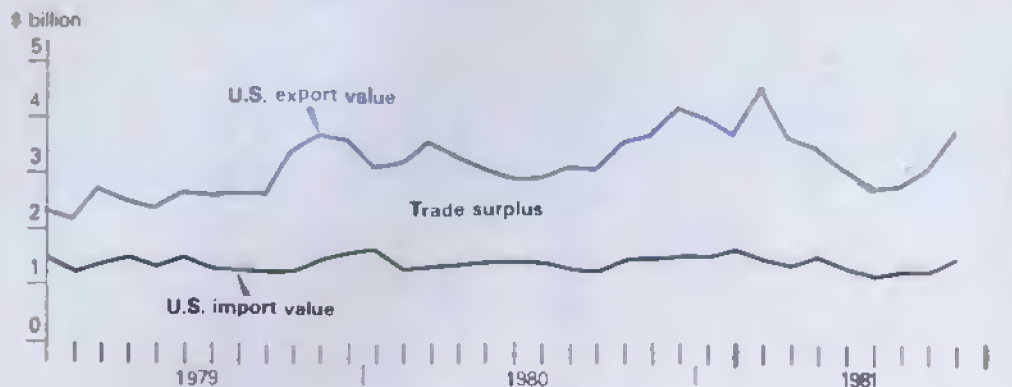
harvests in the Soviet Union and Eastern Europe should significantly raise shipments to these areas. Other markets expected to show gains over last year include Sub-Saharan Africa, the Middle East, South Asia, and Southeast and East Asia. Japan, Brazil, Egypt, and Korea are expected to remain among the largest U.S. markets, joined this year by India.

Feed Grain Shipments To Recover from 1981 Downturn

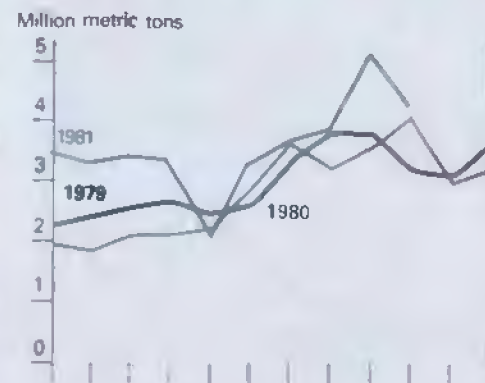
U.S. feed grain exports are expected to rebound in fiscal 1982 following last year's downturn. After averaging 6.8 million tons a month during October-December 1980, monthly feed grain shipments fell precipitously to 4.7 million tons during July-September 1981. A strong performance by barley and sorghum exports in the last 3 months of the fiscal year did not mute the 40-percent decline in monthly corn exports from the first quarter's pace. This fall's

U.S. Agricultural Trade Indicators

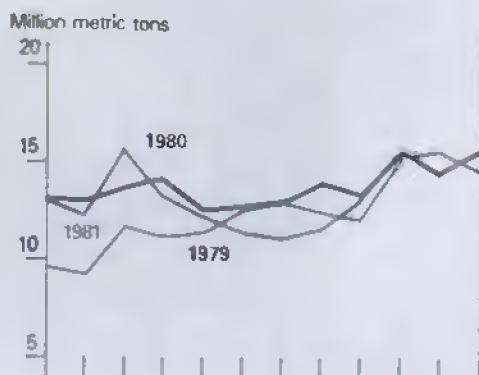
U.S. Agricultural Trade Balance



U.S. Wheat Exports



Export Volume



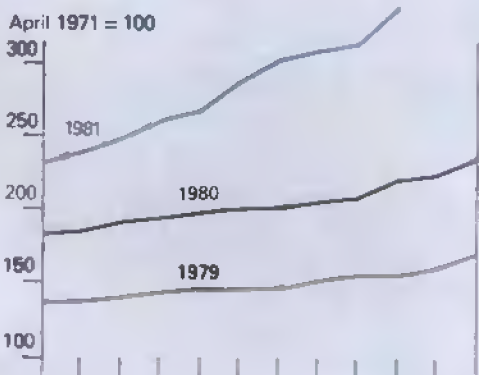
Export Prices



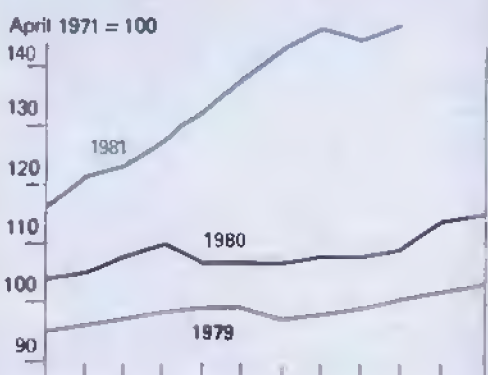
U.S. Corn Exports



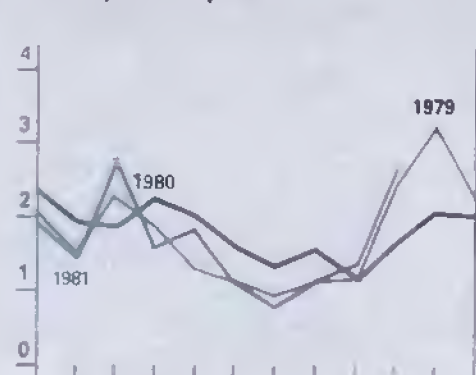
Wheat Exchange Rate*



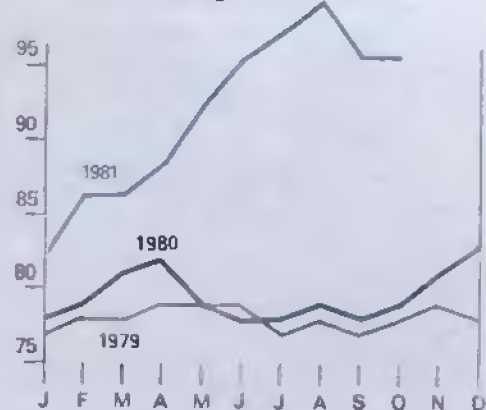
Corn Exchange Rate*



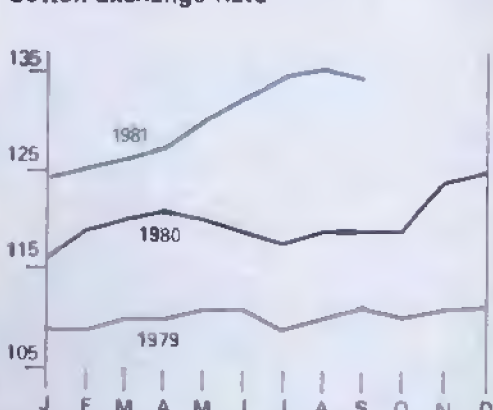
U.S. Soybean Exports



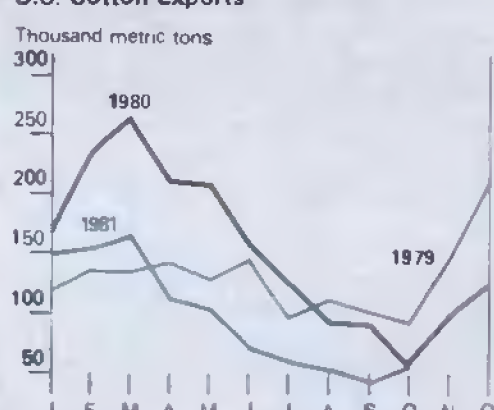
Soybeans Exchange Rate*



Cotton Exchange Rate*



U.S. Cotton Exports



*Foreign currency value of U.S. dollar, weighted by relative size of agricultural trade with the United States. An increasing value indicates that dollar has appreciated against the basket of currencies represented in that particular commodity market.

U.S. Farm Exports: Shipments to Developing Nations Growing Fastest

\$ bil.

25

20

15

10

5

0



Developed countries



Centrally planned economies



Less developed countries

record U.S. corn harvest should lead to more stable purchasing patterns in fiscal 1982, with exports now forecast to reach 72 million tons. Volume and price projections will be influenced by the 1982 Argentine and South African corn harvests.

Soy Products To Regain Market Share

Early indications are that U.S. soybean exports, with reduced competition from Brazil (which was not the case early in fiscal 1981), have rebounded sharply. Shipments to date are ahead of the record pace set in fiscal 1980 and are forecast to reach 22.6 million tons for the year. Western Europe, the USSR, Eastern Europe, and Japan are all expected to take more U.S. beans this year. Much will depend on the relative price movements among alternative feeds—including corn, soybean meal, and corn gluten feed.

For many major U.S. markets, particularly Western Europe, there may be a greater emphasis on imports of beans as opposed to meal in fiscal 1982. For one thing, soybean oil stocks outside the United States are down from last year's high levels, benefiting exports not only of soyoil but also of soybeans.

Rice Demand Weakens

The world rice situation has improved considerably over 1980/81. As a result, U.S. rice exports may decline 17 to 18 percent in fiscal 1982, with reduced shipments to Korea explaining nearly all of this decline. Projected shipments to the Middle East are up substantially from last year. The Middle East and Sub-Saharan Africa should continue to be the main U.S. growth markets in the near term.

Cotton Exports Growing

World textile demand was effectively reduced by the world economic slowdown of the past year. This factor, plus 1980's small harvest, cut U.S. exports by nearly 40 percent in fiscal 1981. Larger supplies and more competitive prices are expected to boost U.S. cotton exports by 25 percent this fiscal year.

Developing Countries Increase Share of U.S. Exports

While U.S. exports to developed countries have stagnated and shipments to centrally planned economies have hinged on Soviet and Chinese grain agreements, U.S. exports to less developed countries (LDC's) have grown at a 22-percent annual rate over the last 4 years. Some of these countries are among the largest U.S. markets—Mexico, Korea, Taiwan, Egypt, and Venezuela. In addition, markets such as the Caribbean, the Middle East, and Southeast and East Asia have displayed not only consistent but also diversified demand for U.S. products. In addition to food grains and vegetable oils, 45 percent of all U.S. fruit and vegetable exports, three-fourths of all poultry meat exports, and nearly half of our cotton exports are shipped to LDC's.

Economic growth in many of the LDC's—even non-OPEC countries—is expected to exceed that in developed countries for the near term. This outlook suggests potential market expansion for U.S. farm products in these countries. A number of P.L. 480 markets of the 1950's and 1960's are billion-dollar markets today. (Steve Milmo (202) 447-9160)

Upcoming Situation Reports

USDA's Economic Research Service will issue the following situation reports this month:

Title	Summary Released
World Crop Production*	Jan. 14
Ag Supply & Demand*	Jan. 15
Ag Supply & Demand*	Jan. 26
Fats & Oils	Jan. 28
Vegetable	Jan. 29
Wheat	Feb. 2
Sugar & Sweetener	Feb. 4
World Crop Production*	Feb. 10
Ag Supply & Demand*	Feb. 11
Livestock & Meat	Feb. 12
Export Outlook	Feb. 16

All reports are reviewed by the World Agricultural Outlook Board (WAOB). Copies of the full reports will be available a week to 10 days after the summary is released. Reports can be obtained by writing to: ERS Publications, Room 0054-South Building, USDA, Washington, D.C. 20250. *These reports, released by the WAOB, are issued in full on the date indicated.



Food and Marketing

1982 FOOD PRICE OUTLOOK

In 1982, grocery store food prices are forecast to climb 5 to 8 percent, with a 6-percent rise most likely. Food marketing costs are expected to rise 8 to 10 percent, while farm prices remain nearly unchanged. Prices at restaurants, cafeterias, and fast-food chains are expected to climb 8 percent next year as the economy recovers from the current recession and consumer demand increases. Thus, retail prices for all food will probably increase about 7 percent in 1982—below 1981's expected increase of 8.2 percent.

Total food consumption in 1982 is expected to increase slightly, mainly because of increased production of cereals, beef, fresh vegetables, and dairy products. Combined with a lower rate of increase in food prices compared with nonfood prices, this implies that real consumer expenditures on food purchased for home use will probably remain about the same next year. In contrast, real per capita consumer expenditures on food purchased for consumption at restaurants, cafeterias, and fast-food chains are likely to rise, mostly in response to expected gains in disposable income during second-half 1982.

Food Price Inflation To Decline in 1982

Component	Relative importance in food CPI	Change in Consumer Price Index for Food				
		1978	1979	1980	1981 p	1982 f
All food	100.0	10.0	10.9	8.6	8.1	5.9
Food away from home. . . .	30.7	9.0	11.2	9.9	9.1	6.9
Food at home.	69.3	10.5	10.8	8.0	7.6	5.8
Cereals and bakery products.	8.7	8.9	10.1	11.9	10.2	7.8
Beef and veal	9.8	22.9	27.3	5.7	1.3	4.7
Pork	4.7	12.9	1.5	-3.4	9.0	6.9
Other meats	3.0	17.8	14.7	3.8	4.3	4.7
Poultry.	2.3	10.3	5.0	5.1	4.9	2.5
Fish and seafood	2.3	9.5	9.8	9.2	8.9	8.9
Eggs	1.3	-5.5	9.5	-1.8	9.3	2.5
Dairy products	9.3	6.7	11.6	9.8	7.3	3.5
Fresh fruits	2.4	19.4	12.4	8.2	5.3	8.9
Fresh vegetables.	2.8	7.9	2.9	8.9	20.1	-1.0
Processed fruits and vegetables.	4.5	10.5	8.8	7.0	12.2	9.10
Sugar and sweets	2.9	12.2	7.8	22.9	8.2	2.3
Fats and oils.	1.9	9.5	8.0	6.6	11.5	5.6
Nonalcoholic beverages	7.6	5.7	5.0	10.6	4.1	2.3
Other prepared foods.	5.8	8.0	10.1	10.8	10.5	8.10

Data for 1978, 1979, and 1980 are from the Bureau of Labor Statistics.

p = preliminary
f = forecast

Limited Price Gains Forecast for Beef and Poultry

Lower feed costs from this year's record corn crop will provide some stimulus for increased beef and broiler production next year. Increases will be small, however, as continued poor profit margins and high interest rates discourage feedlot placements. Pork production will likely decline from this year's relatively large level as producers attempt to recover from losses of the past 3 years. Higher per capita beef consumption will be more than offset by declining pork and total poultry consumption, leading to a small decrease in total domestic meat consumption.

The larger supplies of beef and broilers will limit price increases for these foods in 1982, while the decline in pork production may lead to larger price increases for pork chops, ham, sausage, and other pork products.

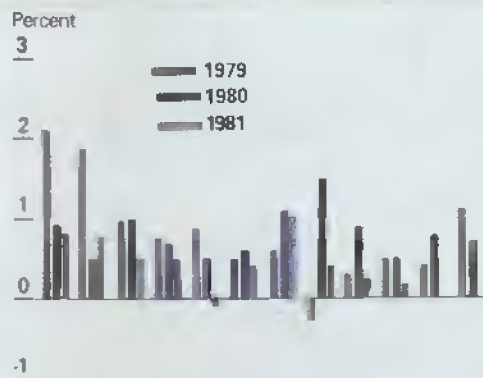
Egg production is also forecast to decline next year as consumers continue to purchase alternative high-protein foods. Consequently, retail prices for eggs are expected to rise less than for most other foods. Following recent trends, cheese consumption will likely continue upward. While changes in retail prices for dairy products will depend on the final provisions of the dairy price-support program, it's likely that current large supplies will hold price increases for dairy products below the average for all foods.

Fruit and Vegetable Prices: Outlook Mixed

Fresh fruit production this fall has been lower than last year. The fall apple harvest was small in the Northeast and Great Lakes regions because of cold weather last spring. Production of pears and grapes has also been lower this year, and the fresh-market citrus crop is likely to be smaller this winter. Overall, smaller supplies could push grower prices for fresh fruits up 10 percent or more in 1982.

In contrast, farm prices for fresh vegetables are expected to decline next year as 1981 potato production recovered from the low levels of the last 2 years. In addition, dry edible bean production this year was the largest ever.

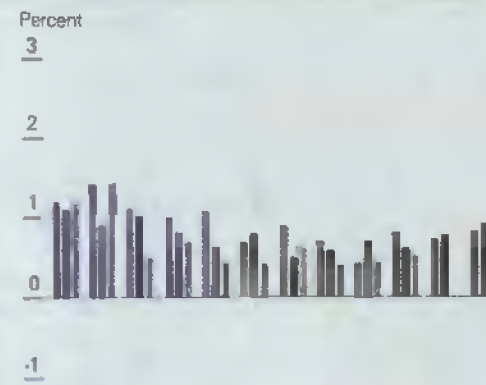
CPI: Total Food[○]



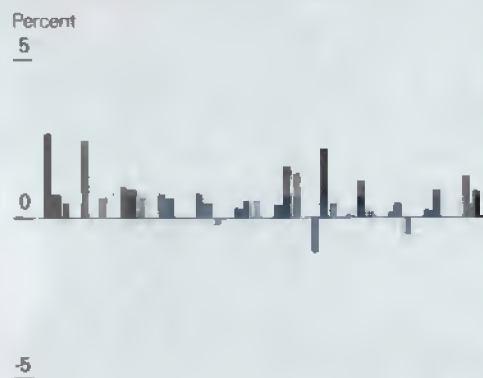
CPI: Food at Home[○]



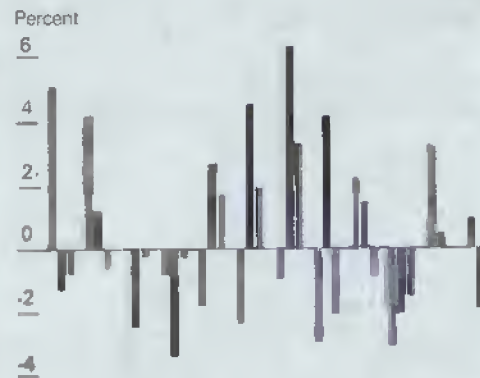
CPI: Food Away from Home[○]



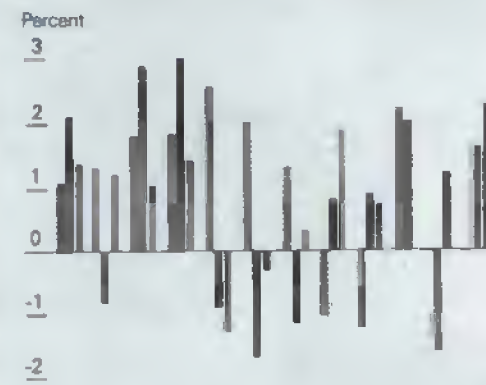
Farm Food Market Basket, Retail Price



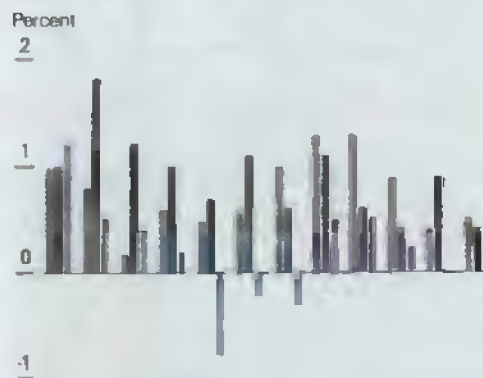
Farm Value



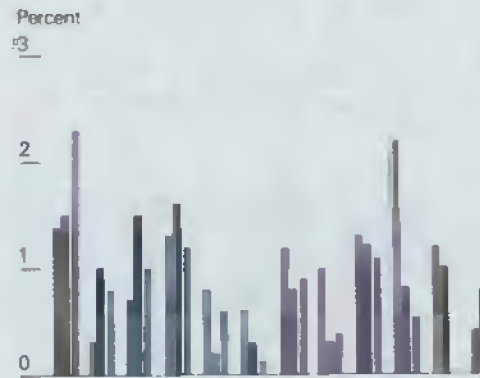
Farm-to-Retail Spread



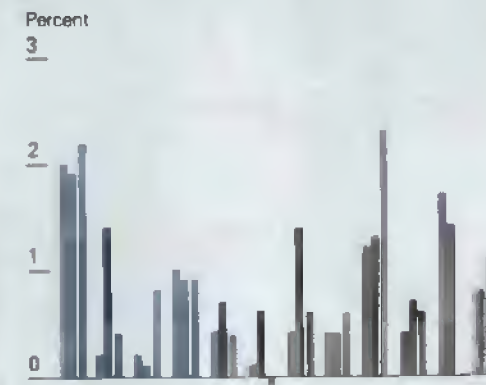
Imported Food and Fishery Products



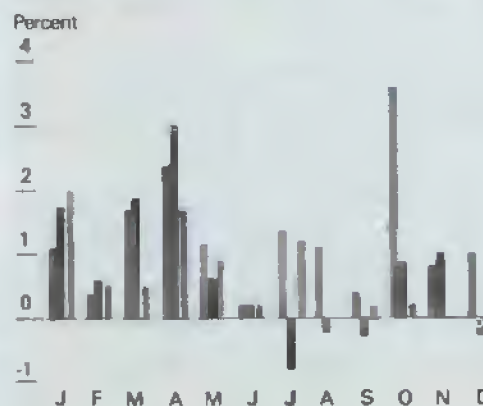
Marketing Cost Index



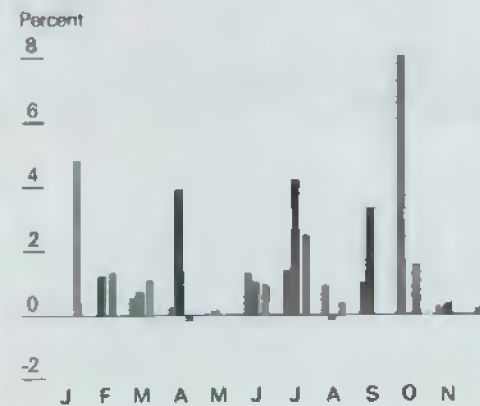
Labor Cost



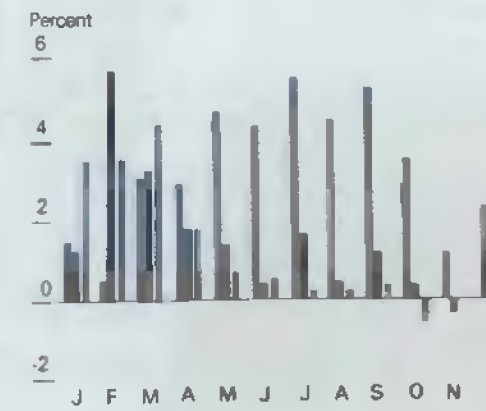
Packaging Cost



Rail Freight Rates



Energy Rates

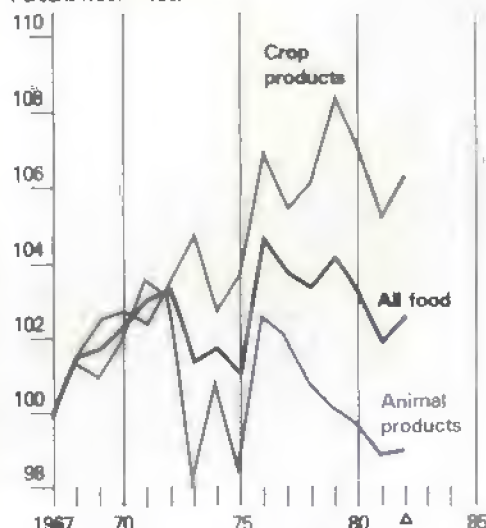


[○]CPI unadjusted.

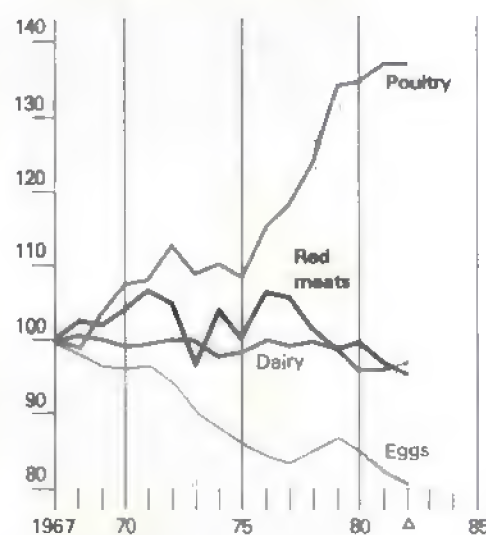
All series expressed as percentage change from previous month.

Per Capita Consumption of Animal Products Declining...

Percent (1967 = 100)



...Pushed Down by Lower Red Meat and Egg Consumption



Δ 1982 Forecast

The smaller acreage contracted for processed vegetables—especially tomatoes—will tend to raise prices for processed fruits and vegetables next year. However, the effect will be moderated by the large carryover stocks of canned fruit and Florida's larger production of frozen concentrate orange juice—as higher juice yields offset lower Florida orange production. The overall increase in retail prices for processed fruits and vegetables is forecast at 9 to 10 percent.

Prices for other foodstuffs are not expected to rise much in 1982. Record 1981 wheat and rice crops will keep farm prices for these products low. Likewise, the large carryover of vegetable oil, large soybean and peanut crops, and continued recovery in world sugar production will restrain prices for oils and sugar. Thus, relatively large supplies of raw foods and foodstuffs will generally limit any cost-push from the farm sector in 1982, with the farm value of domestic foods expected to rise only 1 to 4 percent. Thus, rising food marketing costs will be the major source of food price inflation in 1982.

1982 MARKETING COST OUTLOOK

Labor

Rising labor costs will be the main contributor to higher food marketing costs in 1982. So far this year, labor costs have averaged 10.9 percent above last year. But several factors suggest a slowing of labor cost increases in 1982, with a 9- to 10-percent rise likely. One factor limiting labor cost increases next year is the absence of an upward shift in the minimum wage following 4 years of successive gains. This will particularly affect the food-service industry. Also, the increase in employer contributions to Social Security will be much smaller than this year's.

Major collective bargaining contracts covering 315,000 workers in food retailing and manufacturing will be renegotiated in 1982—up from 280,000 workers in 1981. The largest contracts to be renegotiated involve meat-packing firms and California fruit and vegetable processors. Retail clerk and meat-cutter contracts in many metropolitan areas will also be renegotiated throughout 1982. Wage demands are expected to moderate during these negotiations, largely because of the relatively low inflation rate over the last half of 1981 and the anticipated slow economic growth during early 1982. The slowing inflation rate will also mean smaller cost-of-living wage adjustments.

Packaging

Prices for packaging materials and containers are expected to increase 7 to 8 percent in 1982, near the 1981 rise. Prices for paper-board and paper products are expected to rise 9 to 10 percent because of higher manufacturing costs. However, smaller price increases are likely for metal, glass, and plastic containers. Competition is increasing in the container industry because of the ease of product substitution, the low rate of plant capacity utilization, and the growing number of food manufacturing firms producing their own containers.

Energy

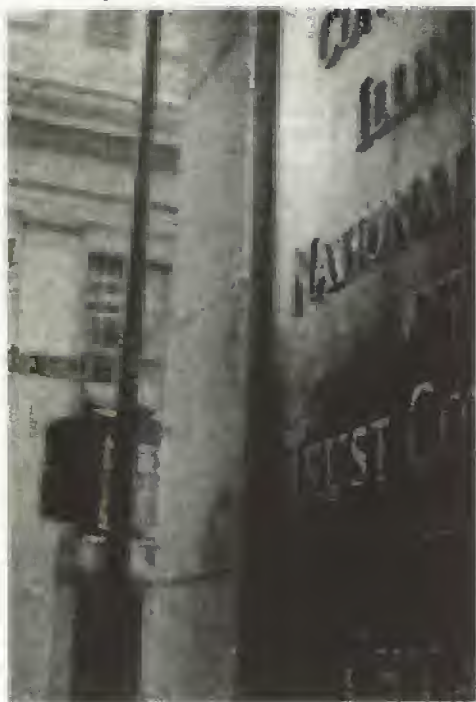
Energy costs to food manufacturers and retailers are expected to rise close to the general inflation rate, although small increases in prices for petroleum products will be a restraining factor. World petroleum supplies are large, and petroleum demand is expected to decline because of slow economic growth and increased substitution of alternative fuels.

Coal prices will likely rise faster than general inflation, primarily because of increased demand and higher labor costs resulting from this year's collective bargaining agreement with the United Mine Workers. Higher coal prices and increasing financing costs will push electricity prices up in real terms. Natural gas prices will move up substantially as a consequence of decontrol; the Natural Gas Policy Act of 1978 allows wellhead prices to rise, and much of the resulting increase will be passed through to final users.

Transportation

Transportation costs in food marketing are expected to increase 10 to 14 percent in 1982. Rail freight charges will rise faster than inflation as rates are adjusted to reach an "adequate revenue" level as specified in the Staggers Act of 1980. In addition, the less restrictive regulatory environment will permit surcharges to cover higher costs for deliveries on low-volume lines.

Trucking rates will increase along with fuel prices, but the rise will be limited by the greater competition resulting from a loosening of industry regulations. Collective bargaining agreements with the Teamsters also will be important in determining trucking rates. [R. McFall Lamm and Paul Westcott (202) 447-8801]



Inputs

AGRICULTURAL FINANCE UPDATE

Uneven Credit Availability Foreseen

During 1982, the availability of funds will vary according to the type of lending institution.

Commercial banks should enter 1982 with relatively favorable loan-to-deposit ratios. In addition, the all-savers certificates made available on October 1 should draw some loan funds from money market mutual funds to commercial banks. Because 75 percent of the funds deposited in all-savers certificates must be used for housing or agricultural loans, money available for agricultural loans should increase—especially since banks may prefer to invest in agriculture rather than long-term housing loans.

The Farm Credit System should continue to have adequate funds to support its lending operations. However, the structure of these funds is undergoing a fundamental change. Investors in long-term bonds have been hurt by the unexpectedly high inflation of recent years. As a result, the market is now less willing to accept these bonds. Consequently,

the maturity of Farm Credit System bonds, especially those supporting Federal Land Bank lending, has been shortened. Although the Farm Credit System has had variable rates for some time, the shorter maturities on bonds will make these rates even more variable than in the past.

Fund availability at the Farmers Home Administration is likely to be substantially curtailed in 1982 as the administration seeks to take care of existing business. Lending authorizations through October 1, 1982, show reductions in the farm ownership and emergency loan programs, but some increase in the farm operation loan programs. All risk crop insurance should continue to replace economic emergency loans through 1982.

Life insurance companies are likely to continue seeking funds for lending to agriculture at competitive rates. However, they are also actively trying to attract capital from pension fund accounts. For example, John Hancock has established an account called ACRE (Agriculture, Capital, and Real Estate) designed to attract pension fund dollars into agricultural investments.

Credit available through merchants and dealers may also expand in 1982. Hit by slumping sales due to reduced net farm income, a number of machinery dealers are expected to offer attractive financing plans to promote sales. Credit extended by farm-supply dealers may also increase because farm operators may take longer to pay off their charge accounts.

Delinquencies and Defaults To Remain Minimal

There is a tremendous equity base in agriculture that could be used as collateral for additional borrowing. This collateral base, combined with the fact that rates on long-term loans—especially at Federal Land Banks—have lagged short-term rates, will lead some farmers facing cash-flow problems to avoid delinquency or default through refinancing. An increase in restructuring of short-term debt into long-term debt is anticipated.

Operations with large borrowings relative to assets will experience the most difficulty since they have little or no ability to support more debt. In addition, commercial lenders in the past have been able to transfer some problem borrowers to Federal Home Administration loan programs. With the push to reduce FmHA loan programs, however, such switching may become less feasible. Commercial lenders will then be forced to liquidate borrowers in severe financial trouble. While defaults and foreclosures are expected to increase in 1982, the percentage of borrowers facing such problems is expected to remain low.

Interest Rates: An Uncertain Outlook

Interest rates during 1982 will largely depend on the government's ability to control inflation and on the degree to which the Federal Reserve System keeps tight controls on money-supply growth. Inflation in the U.S. economy now appears to be easing. However, there is concern that the Economic Recovery Tax Act of 1981 will spur consumer spending and create high budget deficits, which could add renewed inflationary pressures.

The extent to which the Federal Reserve accedes to recent pressures calling for faster monetary growth will have a significant impact on interest rates in 1982. Rapidly increasing the money supply would likely add to inflationary expectations, thereby raising interest rates. On the other hand, unusually slow growth in the money supply could restrict the supply of credit and thereby maintain the current high interest rates until inflationary expectations diminish. The Federal Reserve appears committed to moderate monetary growth, with only a gradual easing in interest rates expected.

The direction of some agricultural interest rates is easier to predict than rates in the general economy. For example, for the first 9 months of 1981, the Farm Credit System issued \$40.4 billion in bonds with a weighted average interest rate of 15.63 percent. For bonds with over one-year maturity, the average interest rate was about 14.5 percent.

Institutional Farm Debt Up Less in 1981 Than in Recent Years

Type of debt and lender group	Percentage change in year ending June 30						
	1975	1976	1977	1978	1979	1980	1981
Real estate debt	14	11	15	15	18	18	12
Insured commercial banks	5	4	16	12	5	-2	1
Federal Land Banks	23	16	16	15	18	24	20
Life insurance companies	7	7	16	19	18	11	2
Farmers Home Administration	6	5	9	11	43	32	10
Nonreal-estate debt	10	16	19	16	18	13	9
Insured commercial banks	3	16	16	5	10	4	7
Production credit associations	18	12	14	4	17	21	10
Federal Intermediate Credit Banks (OFIs)	-3	5	6	14	31	28	27
Farmers Home Administration	59	21	25	99	55	37	35
Commodity Credit Corporation	-35	-8	685	179	25	-9	-42

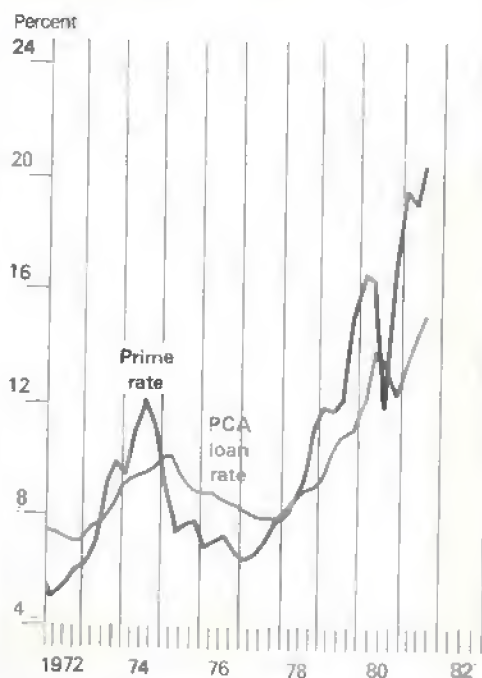
Source: Emanuel Mellichar, "Farm Sector Financial Experience and Rural Banking Conditions, September 21, 1981.

At the same time, interest rates on new loans at Federal Land Banks ranged from 11 to 13 percent. Bonds can be issued at a higher cost than the interest rate on loans because interest rates charged by Federal Land Banks are based on the average cost of bonds outstanding, not on just the most recent issues. However, these figures do suggest that unless the cost of issuing bonds drops drastically, interest rates charged by Federal Land Banks will rise during 1982.

To a lesser extent, Production Credit Associations (PCA) face the same problems with rising interest rates as do Federal Land Banks. The cost of bonds issued by the Federal Intermediate Credit Banks (FICB) exceeded interest rates charged on PCA loans throughout much of the first three quarters of 1981. If the cost of issuing FICB bonds remains at current levels, PCA interest rates are likely to rise. Because most FICB bonds are relatively short-term, the average cost of bonds outstanding could drop if the cost of new issues in 1982 falls significantly. A USDA model forecasts PCA interest rates at 14 to 15 percent during 1982.

Interest rates on agricultural loans charged by commercial banks vary tremendously from one bank to the next. During August of 1981, the most common interest rate on bank farm loans was between 19 and 20 percent. If inflation in the economy falls below 10 percent and if the Federal Reserve System maintains a middle-of-the-road posture on money growth, bank interest rates might decline substantially in 1982. This suggests that, for the first time in the last 5 years, the interest rate advantage of the Farm Credit System over other lenders will be reduced.

Production Credit Association Loan Rate Lags Prime Rate



Source: Federal Reserve System.

Farm Sector Equity To Grow Slowly
Nominal growth in farm sector equity out of earnings is expected to remain low during 1982. For one thing, net farm income is not anticipated to improve—particularly during the first half. Given a third consecutive year of low income, it will be difficult for many operators to save money for investing in their farm.

Capital gains on assets have also been a major source of growth in farm equity. Important nonreal estate assets for farm firms include crop and livestock inventories and farm machinery. Capital gains on these assets during 1982 are expected to be minimal since crop and livestock prices will likely remain low.

If the current projections of poor farm income in 1982 hold true, the farm real estate market would also remain sluggish. Transfer rates would be low, with the value of real estate possibly increasing 6 to 10 percent. However, regional differences may be significant. The Midwest's land market may be relatively weak because of low prices for corn and soybeans. In contrast, some specialty crop areas in the South and California may see a relatively strong land market. [David Lins (713) 845-5221]

DEREGULATION UPDATE

Major regulatory changes affecting agriculture, on top of those recently made, are in store for the near term. These changes cover broad areas, including access to and the price and use of farm inputs; crop production; marketing and transportation; and food safety and quality. Executive Order 12291 signals further changes in the regulatory environment, with significant repercussions on the food and agricultural sectors.

Petroleum:

Effects of Decontrol

Before the National Energy Act, crude oil prices were controlled at the wellhead. Domestic deregulation of crude oil prices began in 1979, and complete deregulation was scheduled for October 1981. However, shortly after taking office, President Reagan accelerated the schedule to effect immediate deregulation.

Under regulation, crude oil prices were held below world-market levels, leading to inefficient use of petroleum supplies, disincentives for domestic production, and postponed development of alternative fuel sources. As deregulation took effect, the U.S. dependence on oil imports declined dramatically. Crude oil purchases fell from 8.8 million barrels a day in 1977 to 6.8 million in 1980. Currently, imports stand at slightly over 5 million barrels a day. Since 1978, domestic production has grown slightly, as the percent of profitable exploratory wells rose from 38 to 44 percent and total wells completed increased over 50 percent, from 17,775 to 26,985.

Reductions in demand for petroleum products have been equally dramatic. National gasoline consumption (3 percent consumed by agriculture) has declined 11 percent since 1978. Distillate oil consumption (agriculture uses 6 percent) has dropped 16 percent.

On the other hand, energy prices have risen significantly, reflecting the relative world scarcity of liquid fuels. The Department of Energy reports that, nationally, diesel fuel prices rose 20.3 percent over the past year, while gasoline prices rose 8.5 percent. The relatively small price rise for gasoline reflects a temporary oversupply of gasoline and is not indicative of the long-term price increase that most analysts expect.

In the years ahead, decontrol will further expand domestic production, lower imports, and reduce supply interruptions, which are particularly damaging to agriculture because of its highly seasonal demand and inflexible production schedule. The price increases resulting from decontrol have also spurred potential development and use of alternative fuel sources, such as biomass, coal and shale liquids, and solar devices. The fuel and energy derived from these sources may be competitive with petroleum in the future, thereby expanding domestic fuel sources and enhancing U.S. energy security.

Natural Gas:

Deregulation's Effect on Agriculture . . .

Gas provides nearly 27 percent of U.S. energy needs, and agriculture is a major user, consuming 1.28 billion cubic feet (bcf) in 1980—6 percent of the national total. The farm sector directly uses about .140 bcf, principally in irrigation and crop drying. The manufacturing of agricultural chemicals, mainly nitrogen fertilizers, consumes about .700 bcf. About 60 percent of the natural gas used in fertilizer production is as a feedstock, for which there is no apparent substitute. Food processing uses .440 bcf.

The phased deregulation of natural gas prices now underway will have a significant impact on agriculture. Because of its exemption from incremental increases in the ceiling price for gas through 1984, agriculture has been sheltered from price rises that affected other parts of the economy. Therefore, natural gas price increases to agricultural users after 1984 are likely to exceed those to all other industrial users.

In addition, farmers use 1.4 billion gallons of liquified petroleum (LP) gas for crop drying, irrigation, and space heating. Since over two-thirds of LP supplies are processed from natural gas, LP gas prices can be expected to rise as well.

Projections of the impact of scheduled decontrol differ greatly and are marked by uncertainty about supply and demand. The amount of gas produced in each part of the natural gas supply system is uncertain. Thus, it is difficult to know what fraction of gas production will be free of controls. Similarly, shifts in the demand for natural gas by residential, industrial, and utility users—each affected differently by incremental pricing provisions—would further influence price and quantity impacts.

. . . And, Specifically, on the Ammonia Market

Many analysts agree, however, that, based on the full energy-equivalency price of fuel oil, a threefold increase in today's natural gas price—about \$2.00 per thousand cubic feet (Mcf)—is possible by 1985. An expansion of this magnitude could raise anhydrous ammonia prices to \$430 a ton, up from the current \$250. Based on recent yields and nitrogen application rates, additional production costs attributable solely to the higher ammonia price in 1985 would be 15 and 19 cents a bushel for corn and wheat, respectively.

However, several factors may keep ammonia prices from reaching this level. First, high gas prices may encourage consumers to reduce use through conservation and the substitution of alternative fuels, the latter being an option not available to ammonia producers in the short run.

Second, the ammonia industry is the second largest consumer of natural gas, accounting for 2 to 3 percent of U.S. consumption. Gas suppliers have traditionally been willing to negotiate contracts to large, reliable customers at below-average market prices. Existing contracts should remain in effect after complete deregulation, because many are not due to expire until 1986. The combination of existing contracts and favorable new long-term contracts could continue to hold gas prices paid by ammonia producers below the national average.

Third, larger ammonia imports from countries that can obtain natural gas at lower cost may prevent domestic manufacturers from passing through full increases to the farmer. Given deregulated natural gas prices, Canada, Mexico, the Soviet Union, and Trinidad/Tobago could raise ammonia exports to the United States. Venezuela and Middle Eastern countries are also potential exporters. Limiting ammonia imports would require trade restrictions, which have been proposed but denied several times since 1979.

Pesticides:

Long Regulatory History . . .

The Federal Government has regulated pesticides since the Insecticide Act of 1910, which prohibited the sale of adulterated or misbranded products. Of the variety of laws enacted since, the three main pieces of legislation are:

- The Federal Food, Drug, and Cosmetic Act of 1938 and its amendments, which established maximum tolerances of pesticide chemicals in food products;
- The Federal Insecticide, Fungicide, and Rodenticide Act of 1947 (FIFRA), which required that all pesticides be registered before being marketed and that they contain adequate warnings of misuse on the label; and
- The Federal Environmental Pest Control Act (FIFRA Amended 1972), which required that all pesticides be screened on a case-by-case basis for environmental and human safety, be subject to a cost-benefit analysis, and be able to perform their intended functions when used in accordance with widespread practice.

The FIFRA has been amended three times since 1972. In fact, Congress is currently considering amending the law. Major amendments now under consideration include: 1) providing greater opportunity for public review of research data submitted in support of registration, 2) extending the period that manufacturers have exclusive rights to data from 10 to 15 years, and 3) limiting the authority of States to establish standards more rigid than those required by the Environmental Protection Agency (EPA).

. . . And the Effects of Current Regulations

The primary purpose of the regulations, particularly those in the 1972 Act, is to increase the safety of pesticide use. But the regulations also raise the costs of pesticide development and registration, which are then passed on to the farmer. Regulations have increased the time required to introduce new products and have reduced the number introduced. New product registrations dropped from 10 a year in the early 1970's to two in 1977 and 1978. However, the rate of introduction has increased slightly in the last few years.

The 1972 act also required the re-registration of all previously registered pesticides to assure that they met certain environmental and health standards. The primary vehicle in re-registration is the Rebuttable Presumption Against Registration (RPAR) process, which determines if the risks exceed specified hazard levels and, if so, weighs the benefits against the risks. As of March 1981, there were 28 pesticides or groups of pesticides for which RPAR's had been issued, and 11 are undergoing pre-RPAR review. The RPAR process develops regulatory options that include registration, label modification, restricted use, or cancellation.

In the early and mid-1970's, a number of pesticides were removed from the market through administrative law hearings. DDT was cancelled in 1972. Aldrin and dieldrin were suspended in 1974. Chlordane was suspended and cancelled for farm use a few years later, and most crop uses of heptachlor were phased out in 1978. Farm use of DDT, aldrin, and dieldrin dropped from 42 million pounds in 1966 to 2 million in 1976.

More recently, EPA has taken a more selective approach, weighing benefits and risks through a more informal process (the RPAR system). The end result is the proposal that products with potentially high hazards and minimal benefits be discontinued. On the other hand, products whose potential benefits are great and whose hazards are minimal are likely to be continued. There has also been greater emphasis on reducing user exposure and less reliance on hazard levels based largely on laboratory experiments with animals. Actions proposed under the RPAR process may be appealed through administrative law procedures. [Ron Meekhof (202) 447-7340]

Upcoming Crop Reporting Board Releases

The following list gives the release dates of the major Crop Reporting Board reports that will be issued by the time the January/February *Agricultural Outlook* comes off press.

December

28	Farm Numbers
30	Dairy Products
	Commercial Fertilizers
31	Agricultural Prices

January

5	Poultry Slaughter
	Egg Products
7	Vegetables
8	Turkeys
11	Crop Production
14	Popcorn
	Potato Stocks
15	Milk Production
18	Cattle on Feed
20	Cold Storage
21	Crop Values
22	Livestock Slaughter
	Peanut Stocks & Processing
25	Grain Stocks
	Rice Stocks
26	Sugar Market Statistics
27	Egg Products
	Commercial Fertilizers
28	Eggs, Chickens & Turkeys
29	Producer-Owned Grain Stocks
	Agricultural Prices
	Cattle

February

1	Dairy Products
	Poultry Slaughter
10	Crop Production
12	Potato Stocks
	Cattle on Feed
	Milk Production
18	Prospective Plantings
19	Livestock Slaughter
	Cold Storage

To start receiving any of these reports, send your name, address, and zip code to: SRS-Crop Reporting Board, USDA, Room 5829-South Bldg., Washington, D.C. 20250. Ask for the report (s) by title.



Transportation

The U.S. transportation system will be able to meet agriculture's needs this year despite an expected strong upsurge in farm export volume following 1980/81's decline. In fact, thousands of jumbo covered-hopper cars sat idle in mid-October, while grains and soybeans were moving at a record pace. However, three sensitive issues—rail labor contracts, use of privately owned hopper cars, and waterway user charges—could redistribute traffic and congest certain points in the system.

Labor Contracts Being Renewed

Railroads are negotiating to replace existing rail labor contracts. If these settlements follow the pattern of the three in the 1970s, the effect on general rail traffic should be minimal. In the 1970s, traffic stopped on a few railroads for only brief periods, with an extended slowdown on one railroad.

Privately Owned Railcars: Will They Be Used?

Another potential source of problems in 1981/82 is the large number of privately owned jumbo covered-hopper cars. Contracts between owners and railroads concerning use of privately owned cars are subject to a circular, OT-5-E, of the Association of

American Railroads. That circular contains this parenthetical statement: "The use of private cars other than tank cars is optional and railroads are not obligated to use such cars if they are in a position to furnish suitable cars." Several railroads invoked this clause in 1980/81. This, plus light traffic, left some shipper-owned fleets idle. However, as the volume of grains and soybeans moving this year increases, the railroads' supply of jumbo covered-hopper cars may not be adequate, and use of shipper-owned cars could increase.

Waterway User Charges Up

Continued increases in waterway use charges could eventually shift some price-sensitive agricultural demand for transportation services to the railroads. Charges increased from

4 cents per gallon of fuel to 6 cents on October 1. In addition, the administration has proposed full recovery of Federal expenditures for navigation, and there are estimates that this would raise fuel taxes to 30 to 40 cents a gallon.

The U.S. Department of Transportation (DOT) is studying the effects that full recovery of Federal expenditures would have on traffic diversion and barge rates. Those grain dealers shipping by inland waterways will no doubt monitor the status of the DOT study and legislative processes supporting the full-recovery goal. Other traders should stay generally informed because diversion could affect their ability to meet shipping needs. *[Robert Tosterud, John Gerald, and Paul Kepler (202) 447-7423]*

FARMERS' 900 NEWSLINE



900-976-0404

Call the FARMERS'-900-NEWSLINE for the latest U.S. and world crop, livestock, export, and economic news from USDA. A 60-second summary is available 7 days a week, 24 hours a day. Your cost is 50 cents per call. Items are put on the newslines at 4 p.m., Washington, D.C. time on the day indicated. If you call before 4 p.m., you will hear the preceding day's report.

In some areas it might be necessary to dial 1-900-976-0404. Features are subject to change. Send comments to: Farmers' Newsline, Room 2918, USDA, Washington, D.C. 20250.

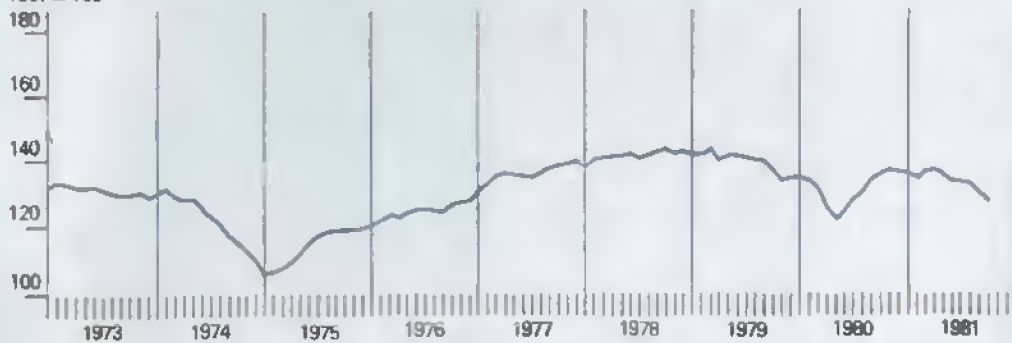
Here's the schedule for January and February:

January	4	Farm News Special
	5	World Weather & Crops
	6	Farm News Special
	7	Vegetable Acreage
	8, 9, 10	Turkeys
	11	U.S. Crop Prospects
	12	Farm News Special
	13	1981 Fruit Summary
	14	World Crop Prospects
	15, 16, 17	World Supply & Demand
	18	Cattle on Feed
	19	Sheep & Lambs on Feed
	20	1981 Crop Summary
	21	1981 Crop Values
	22, 23, 24	Red Meat Production
	25	Grain Stocks
	26	World Supply & Demand
	27	Sheep & Goats
	28	Soybean Situation
	29, 30, 31	Cattle Inventory
February	1	Producer-Owned Grain
	2	Wheat Situation
	3	Agricultural Outlook
	4	Farmers' Prices
	5, 6, 7	Vegetable Situation
	8	Sugar Situation
	9	World Weather & Crops
	10	World Crop Prospects
	11	World Supply & Demand
	12, 13, 14, 15	Cattle on Feed
	16	Livestock Situation
	17	Export Outlook
	18	Prospective Plantings
	19, 20, 21	Red Meat Production
	22	Farm News Special
	23	Eggs, Chickens & Turkeys
	24	Feed Situation
	25, 26, 27, 28	Farm News Special

General Economic Indicators

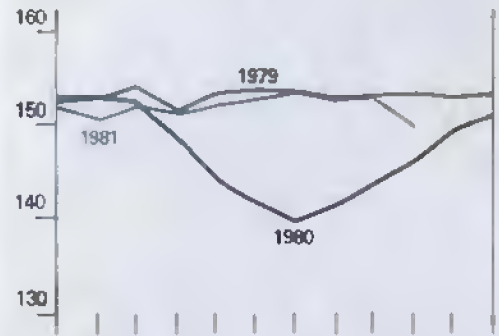
Composite Leading Economic Indicators

1967 = 100



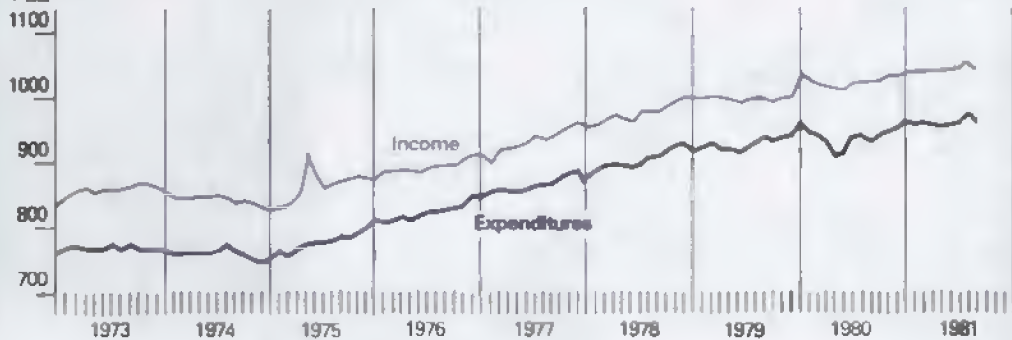
Industrial Production

1967 = 100



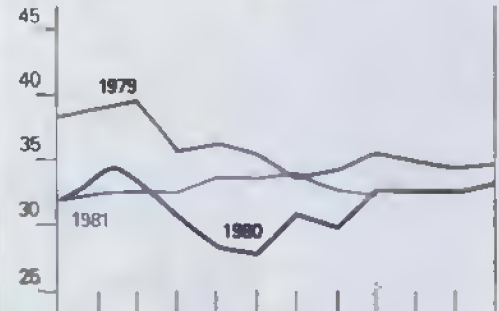
Disposable Income and Consumption Expenditures^{1,7}

\$ bil.



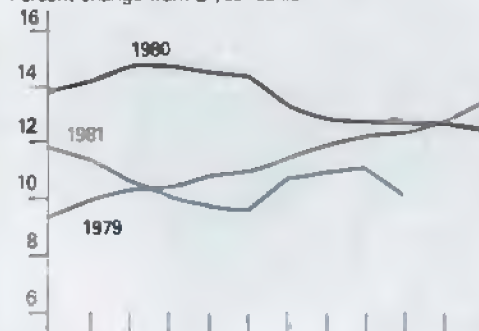
Manufacturers' Durable Goods Orders²

\$ bil.



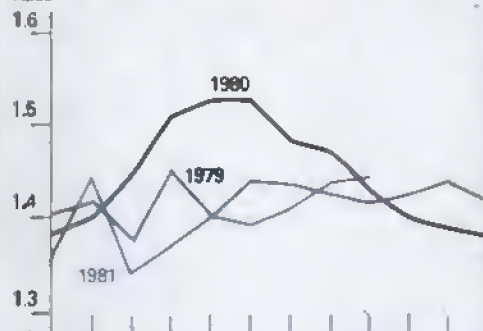
Consumer Price Index

Percent change from a year earlier



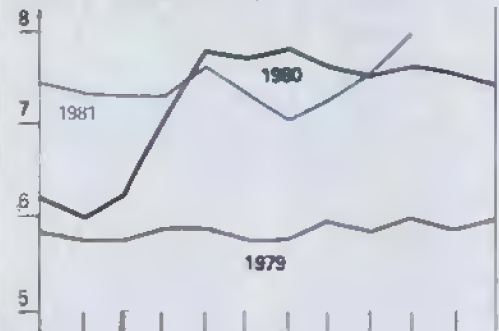
Inventory/Sales³

Ratio



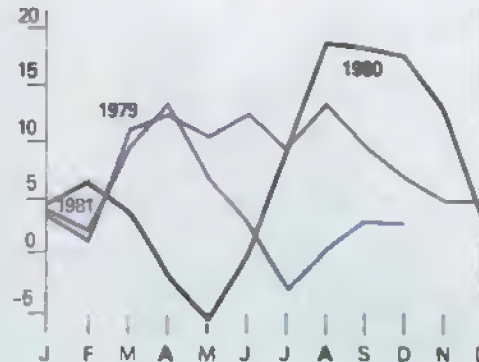
Unemployment⁴

Percent of all civilian workers



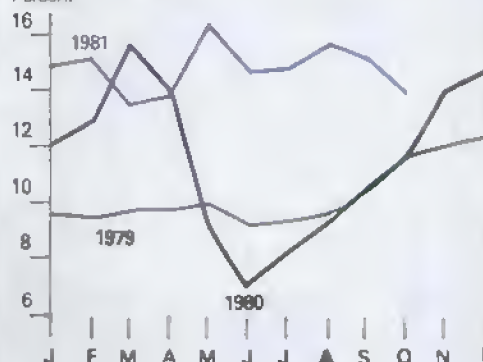
Money Supply (M1-B)⁵

Percent



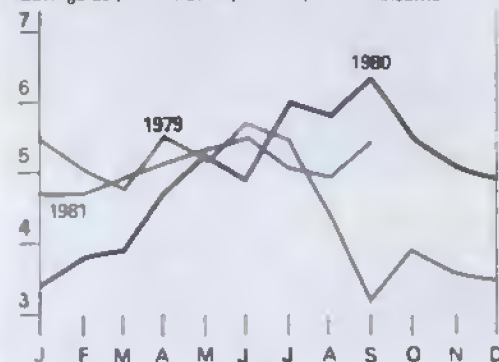
Treasury Bill Rate

Percent



Savings Rate^{6,7}

Savings as percent of disposable personal income



¹Billions of 1972 dollars, seasonally adjusted at annual rates. ²Billions of 1967 dollars. (Current dollars deflated by seasonally adjusted producers price index for capital goods). ³Manufacturing and trade, seasonally adjusted at annual rates. ⁴Seasonally adjusted. ⁵Annual rate of change in 3-month moving average.

⁶Calculated from disposition of personal income in 1972 dollars, seasonally adjusted at annual rates. ⁷Estimate for latest month. Sources are the U.S. Department of Commerce, the U.S. Department of Labor, and the Board of Governors of the Federal Reserve System.



Recent Publications

USDA's Economic Research Service publishes a number of research reports, statistical supplements, handbooks, and other periodicals that may be of interest to you as an *Agricultural Outlook* reader. To order reports listed below, write directly to ERS Publications, Room 0054-South, U.S. Department of Agriculture, Washington, D.C. 20250. Be sure to list the publication number and provide your zipcode.

An Alternative Approach to Food Assistance. ERS 669.

State Reports

To order publications issued by a State write directly to the address shown. No copies are available from the U.S. Department of Agriculture.

California Grapes, Raisins, & Wine 1980.

California Crop & Livestock Reporting Service, P.O. Box 1258, Sacramento, California 95806.

Florida Agricultural Statistics—Dairy Summary 1980. Florida Crop and Livestock Reporting Service, 1222 Woodward Street, Orlando, Florida 32803.

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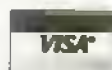
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1980 Nevada Agricultural Statistics. Nevada Crop and Livestock Reporting Service, P.O. Box 8888, Reno, Nevada 89507.

New Jersey Agricultural Statistics 1981. New Jersey Crop Reporting Service, U.S. Department of Agriculture, Trenton, New Jersey 08625.

Ohio Agricultural Statistics—1976-1979. Ohio Crop Reporting Service, Room 608 Federal Building, 200 North High Street, Columbus, Ohio 43215.

1980 Ohio Farm Income. Ohio Crop Reporting Service, Room 608 Federal Building, 200 North High Street, Columbus, Ohio 43215.

Pennsylvania Crop & Livestock Annual Summary 1980. Pennsylvania Crop Reporting Service, 2301 North Cameron St., Harrisburg, Pa. 17110.

Microfiche

The following are available FOR SALE ONLY from National Technical Service, U.S. Department of Commerce, 5285 Port Royal Road, Springfield, VA. 22161.

Major Statistical Series of the U.S. Department of Agriculture: How They are Constructed and Used. Volume 5, Consumption and Utilization of Agricultural Products. (AH 365) Accession No. PB 81 223 240, Paper \$6.50, Fiche \$3.50.

Social and Economic Characteristics of the Population in Metro and Nonmetro Counties, 1970. (AER 272) 103 p. Accession No. PB 81 161 697, Paper \$11.00, Fiche \$3.50.

The Young Solar Collector: An Evaluation of Its Multiple Farm Uses. (AER 466) 14 p. Accession No. PB 81 214 132, Paper \$5.00, Fiche \$3.50.

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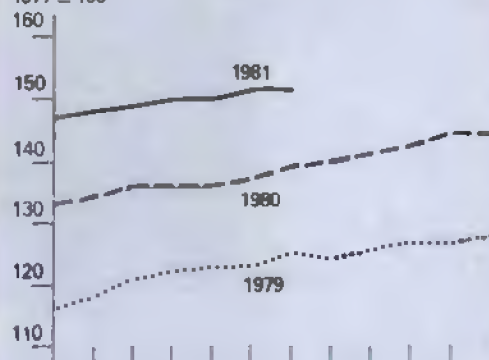
Agricultural Policy Review: Perspective for the 1980's. (AFPR-4) 148 p. Accession No. PB 81 217 200, Paper \$14.00, Fiche \$3.50.

AGRICULTURAL OUTLOOK

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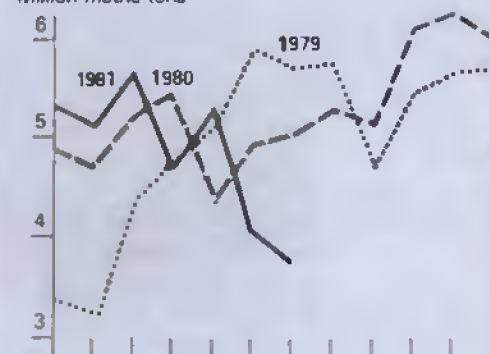
Prices Paid by Farmers¹

1977 = 100



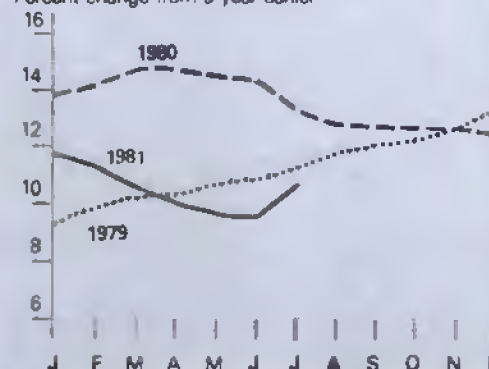
U.S. Corn Exports

Million metric tons



Consumer Price Index

Percent change from a year earlier



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Statistical Indicators

Summary Data

Key Statistical Indicators of the Food and Fiber Sector

	1980				1981				
	II	III	IV	Annual	I	II	III	IV f	Annual f
Prices received by farmers (1977=100)	125	139	144	134	144	142	137	130	138
Livestock and products	134	148	149	144	143	143	146	139	143
Crops	116	130	139	125	145	141	128	121	134
Prices paid by farmers, (1977=100)									
Prod. items	135	140	144	138	147	150	149	148	149
Prod. items, int., taxes, and wages	137	141	144	140	150	151	151	149	150
Farm income ¹									
Cash receipts (\$ bil.)	132	139	142	136	143	144	144	138-140	140-144
Livestock (\$ bil.)	64	69	70	67	70	69	69	65-69	68-72
Crops (\$ bil.)	68	70	71	69	73	75	74	69-73	72-76
Total gross farm income (\$ bil.) ²	146	152	155	150	158	165	167	164-168	162-166
Production expenses (\$ bil.)	129	132	136	131	139	142	143	142-146	140-144
Net farm income (\$ bil.)	17	20	20	20	19	23	24	20-24	20-24
Net cash income (\$ bil.) ³	29	33	33	32	31	30	29	22-26	27-31
Market basket (1967=100)									
Retail cost	233.7	242.7	249.2	238.8	253.9	255.3	260.3	261	258
Farm value	226.7	253.9	255.7	240.3	249.3	246.7	254.3	245	249
Spread	237.8	236.2	245.3	238.0	256.6	260.3	263.8	269	263
Farm value/retail cost (%)	36	38	38	37	36	36	36	35	36
Retail prices (1967=100)									
Food	250.5	258.2	264.4	254.6	270.5	273.0	277.2	280	275
At home	246.6	255.6	262.0	251.5	267.2	268.4	272.5	274	271
Away-from home	264.7	269.6	275.4	267.0	283.9	289.4	293.6	298	291
Agricultural exports (\$ bil.) ⁴	9.7	9.5	11.7	40.5	12.6	10.5	9.9	12.0	43.8
Agricultural imports (\$ bil.) ⁴	4.3	4.0	4.5	17.3	4.7	4.3	3.9	4.4	17.2
Livestock and products									
Total livestock and products (1974=100)	112.0	108.7	110.9	109.6	109.8	113.3	111.8	111.4	111.5
Beef (mil. lb.)	5,251	5,384	5,586	21,470	5,553	5,428	6,532	5,550	22,063
Pork (mil. lb.)	4,299	3,756	4,251	16,431	4,073	3,879	3,608	4,025	16,585
Veal (mil. lb.)	89	95	104	379	100	94	104	110	408
Lamb and mutton (mil. lb.)	77	72	81	310	85	77	79	87	328
Red meats (mil. lb.)	9,716	9,307	10,022	38,590	9,811	9,478	9,323	9,772	38,384
Broilers (mil. lb.)	2,923	2,759	2,685	11,089	2,814	3,070	3,049	2,800	11,733
Turkeys (mil. lb.)	523	705	701	2,303	393	552	798	750	2,473
Total meats and poultry (mil. lb.)	13,162	12,771	13,408	51,982	13,018	13,100	13,150	13,197	52,465
Eggs (mil. dz.)	1,425	1,432	1,483	5,806	1,449	1,426	1,427	1,475	5,777
Milk (bil. lb.)	34.0	32.2	31.0	128.4	32.3	35.2	33.0	31.8	132.3
Choice steers, Omaha (\$/cwt.)	64.65	71.15	65.51	67.04	61.99	66.88	66.53	61-63	64-65
Barrows and gilts, 7 markets (\$/cwt.)	31.18	46.23	46.44	40.04	41.13	43.63	50.42	43-45	44-45
Broilers, 9-city wholesale (cts./lb.)	41.1	53.3	49.9	46.8	49.3	46.7	47.0	42-44	45-47
Turkeys, N.Y., wholesale (cts./lb.)	54.3	68.3	73.0	63.6	61.3	63.6	62.7	55-57	60-62
Eggs, Gr. A large, N.Y. (cts./dz.)	57.0	70.3	76.9	66.6	72.6	69.1	73.3	78-80	73-74
Milk, all at farm (\$/cwt.)	12.60	12.87	13.93	13.00	13.97	13.50	13.53	14.00-14.25	13.70-13.80

¹ Quarterly cash receipts and expenses are seasonally adjusted at annual rates. ² Includes net change in farm inventories. ³ Excludes inventory adjustment and non-cash income and expenses. Represents cash available for capital expenditures and operator income. ⁴ Annual data are based on Oct.-Sept. fiscal years ending with the indicated year. f = forecast.

Farm Income

Cash receipts from farming

	1980				1981								
	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept
	\$ Mil.												
Farm marketing and CCC loans ¹	11,837	15,759	14,273	13,201	13,277	10,240	10,296	9,249	9,828	11,420	12,380	11,556	13,156
Livestock and products	5,940	6,605	5,723	5,705	6,297	5,427	5,939	5,492	5,643	5,768	5,832	5,558	5,898
Meat animals	3,647	4,198	3,370	3,305	3,780	3,282	3,408	3,019	3,240	3,308	3,384	3,166	3,567
Dairy products	1,347	1,411	1,393	1,455	1,501	1,411	1,566	1,570	1,608	1,547	1,502	1,480	1,448
Poultry and eggs	845	897	871	851	939	662	878	809	697	810	845	813	783
Other	101	99	89	94	77	72	87	94	98	103	101	99	100
Crops	5,897	9,154	8,550	7,496	6,980	4,813	4,357	3,757	4,185	5,652	6,548	5,998	7,258
Food grains	1,033	1,179	915	932	956	766	534	425	529	1,818	2,092	1,264	1,350
Feed crops	1,338	1,396	2,107	2,021	2,261	1,152	1,172	976	1,077	1,407	1,630	1,584	1,700
Cotton (lint and seed)	78	702	1,150	850	574	438	165	6	4	4	4	210	150
Tobacco	548	405	275	538	255	81	8	34	9	0	232	562	695
Oil-bearing crops	848	3,221	1,705	1,209	1,557	1,055	954	782	957	879	979	709	1,016
Vegetables and melons	830	883	518	453	529	531	630	599	731	712	730	733	944
Fruits and tree nuts	659	774	829	699	403	366	351	284	359	476	465	483	705
Other	563	594	1,051	794	445	424	543	651	519	356	416	453	698
Government payments	91	162	213	293	239	174	106	101	59	49	55	97	108
Total cash receipts ²	11,928	15,921	14,486	13,494	13,516	10,414	10,402	9,350	9,887	11,469	12,435	11,653	13,264

¹ Receipts from loans represent value of loans minus value of redemptions during the month. ² Details may not add because of rounding.

Farm Production¹

Item	1972	1973	1974	1975	1976	1977	1978	1979	1980	1981 ²
	1967=100									
Farm output	110	112	106	114	117	119	122	129	122	133
All livestock products ³	107	105	106	101	105	106	106	109	113	115 ⁴
Meat animals	109	108	110	102	105	105	104	106	111	111
Dairy products	102	98	99	98	103	105	104	105	110	113
Poultry and eggs	109	106	106	103	110	112	118	127	128	132
All crops ⁴	113	119	110	121	121	129	131	144	131	150
Feed grains	112	115	93	114	120	126	135	148	123	152
Hay and forage	104	109	104	108	102	107	113	117	107	113
Food grains	102	114	120	142	141	132	125	144	157	185
Sugar crops	127	112	104	130	128	116	116	107	114	125
Cotton	187	175	158	112	142	191	145	194	150	209
Tobacco	88	88	101	110	108	98	102	77	90	103
Oil crops	131	155	127	153	132	175	182	219	171	203
Cropland used for crops	98	103	106	108	109	111	108	112	114	115
Crop production per acre	115	116	104	112	111	117	121	129	115	130

¹ For historical data and indexes, see *Changes in Farm Production and Efficiency* USDA Statistical Bulletin 657. ² Preliminary indexes for 1981 based on November 1981 Crop Production report and other releases of the *Crop Reporting Board*, ERS. ³ Gross livestock production includes minor livestock products not included in the separate groups shown. It cannot be added to gross crop production to compute farm output. ⁴ Gross crop production includes some miscellaneous crops not in the separate groups shown. It cannot be added to gross production to compute farm output.

Farm marketing indexes (physical volume)

	Annual			1980	1981					
	1978	1979	1980	Sept	Apr	May	June	July	Aug	Sept
	1967=100									
All commodities	102	106	108	101	101	119	125	130	109	116
Livestock and products	100	100	103	102	99	103	105	111	97	103
Crop	104	113	114	101	103	141	151	151	122	127

Cash receipts¹ from farm marketings, by States, January-September

State	Livestock and Products		Crops ²		Total ²	
	1980	1981	1980	1981	1980	1981
			\$Mil.			
NORTH ATLANTIC						
Maine	219.3	174.0	83.4	152.1	302.7	326.2
New Hampshire	53.3	56.5	19.1	19.2	72.4	75.7
Vermont	261.1	275.7	19.5	23.4	280.6	299.1
Massachusetts	90.7	101.2	123.7	130.0	214.4	231.1
Rhode Island	9.8	7.5	11.8	12.7	21.6	20.2
Connecticut	125.3	140.3	102.6	109.8	227.8	250.1
New York	1,254.6	1,363.1	494.4	607.8	1,749.0	1,970.9
New Jersey	89.4	101.5	239.1	246.0	328.6	347.5
Pennsylvania	1,420.8	1,594.6	519.4	524.9	1,940.3	2,119.5
NORTH CENTRAL						
Ohio	1,002.5	1,115.4	1,572.9	1,810.5	2,575.4	2,925.9
Indiana	1,196.6	1,319.7	1,624.7	1,847.2	2,821.3	3,166.9
Illinois	1,682.1	1,863.2	4,176.1	4,166.9	5,858.2	6,030.1
Michigan	821.9	886.1	947.8	1,119.6	1,769.7	2,005.8
Wisconsin	2,782.1	2,905.8	598.2	773.3	3,380.3	3,679.0
Minnesota	2,426.4	2,652.4	2,008.4	2,509.5	4,434.9	5,161.9
Iowa	3,988.0	4,268.5	3,143.7	3,989.2	7,131.7	8,257.8
Missouri	1,575.6	1,677.3	1,190.7	1,262.3	2,766.3	2,939.7
North Dakota	538.3	530.1	1,082.8	1,219.6	1,621.1	1,749.8
South Dakota	1,374.7	1,385.1	556.3	631.7	1,931.0	2,016.9
Nebraska	2,443.0	2,523.2	1,692.3	1,827.4	4,135.3	4,350.5
Kansas	2,644.9	2,578.1	1,755.9	1,750.0	4,400.8	4,328.1
SOUTHERN						
Delaware	173.1	197.2	57.8	63.3	230.9	260.5
Maryland	459.2	518.2	193.0	226.9	652.3	745.1
Virginia	674.5	726.7	322.3	393.3	996.8	1,120.0
West Virginia	122.3	134.0	42.3	34.6	164.7	168.6
North Carolina	1,031.9	1,180.1	1,311.9	1,632.1	2,343.7	2,812.1
South Carolina	289.8	310.7	480.6	532.4	770.4	843.0
Georgia	1,085.0	1,236.4	694.9	870.3	1,780.0	2,106.7
Florida	708.9	729.3	2,188.1	2,340.4	2,897.0	3,069.8
Kentucky	973.8	994.0	645.2	656.7	1,619.0	1,650.8
Tennessee	642.3	684.1	332.4	383.4	974.7	1,067.5
Alabama	825.2	892.7	299.0	344.3	1,124.2	1,237.0
Mississippi	656.5	700.4	495.8	492.9	1,152.4	1,193.3
Arkansas	1,077.9	1,170.2	817.8	1,033.3	1,895.6	2,203.5
Louisiana	332.2	347.4	501.2	575.1	833.4	922.4
Oklahoma	1,692.9	1,692.2	771.6	761.9	2,464.6	2,454.1
Texas	3,793.3	3,824.9	2,555.8	3,122.1	6,349.1	6,947.0
WESTERN						
Montana	409.0	394.6	415.5	549.4	824.5	944.0
Idaho	617.0	634.7	624.5	959.6	1,241.5	1,594.3
Wyoming	328.8	310.3	55.5	64.2	384.2	374.6
Colorado	1,620.6	1,612.9	573.5	758.2	2,194.0	2,371.1
New Mexico	746.5	639.5	151.6	179.1	898.1	818.5
Arizona	596.4	589.8	562.6	604.4	1,159.0	1,194.3
Utah	275.7	278.8	93.5	97.8	369.2	376.5
Nevada	91.8	88.1	52.2	56.1	144.0	144.2
Washington	618.8	700.4	1,221.0	1,466.9	1,839.8	2,167.3
Oregon	397.2	421.3	707.0	914.6	1,104.2	1,335.9
California	3,066.3	3,260.9	5,424.1	5,429.3	8,490.5	8,690.2
Alaska	3.1	3.4	3.9	3.9	7.0	7.3
Hawaii	61.9	61.9	267.6	267.1	329.5	329.1
UNITED STATES	49,372.5	51,854.4	43,825.3	49,547.0	93,197.8	101,401.4

¹ Estimates as of the first of current month. ² Sales of farm products include receipts from loans reported minus value of redemptions during the period. Rounded data may not add.

Farm Prices: Received and Paid

Indexes of prices received and paid by farmers, U.S. average

	Annual			1980	1981					
	1978	1979	1980	Nov	June	July	Aug	Sept	Oct	Nov p
1977=100										
Prices Received										
All farm products	115	132	134	144	142	141	137	134	130	129
All crops	106	116	125	140	137	136	129	120	119	120
Food grains	122	147	165	182	160	159	157	156	159	159
Feed grains and hay	101	114	132	152	151	147	136	124	121	118
Feed grains	104	117	135	155	156	152	141	127	123	119
Cotton	91	96	118	128	117	116	107	96	103	104
Tobacco	109	118	125	126	134	141	145	149	144	146
Oil-bearing crops	93	103	102	123	116	117	105	96	93	92
Fruit	148	144	127	130	127	109	125	122	126	145
Fresh market ¹	157	151	129	133	132	110	130	126	130	163
Commercial vegetables	105	110	113	123	119	132	122	117	119	117
Fresh market	106	109	110	122	116	133	119	126	115	113
Potatoes ¹	104	92	128	143	218	226	204	148	118	128
Livestock and products	124	147	144	149	146	146	145	146	140	138
Meat animals	134	166	156	156	158	157	155	155	146	140
Dairy products	109	124	135	144	138	138	138	142	144	145
Poultry and eggs	106	111	112	127	114	118	116	116	112	117
Prices paid										
Commodities and services										
Interest, taxes, and wage rates	108	123	139	144	151	150	151	151	151	151
Production items	109	125	140	144	150	149	149	149	147	147
Feed	98	110	123	141	139	136	131	126	123	122
Feeder livestock	140	185	177	179	165	159	164	168	162	160
Seed	105	110	118	121	144	144	144	144	144	144
Fertilizer	100	108	134	136	147	147	147	147	144	144
Agricultural chemicals	94	96	102	104	113	113	113	113	113	113
Fuels & energy	105	137	188	191	214	214	214	214	214	214
Farm & motor supplies	104	115	134	140	146	147	148	148	149	149
Autos & trucks	106	117	123	133	144	145	145	145	146	156
Tractors & self-propelled machinery	109	122	136	142	155	155	165	159	159	159
Other machinery	108	119	132	137	148	148	148	152	152	152
Building & fencing	108	118	128	131	134	134	135	135	135	135
Farm services & cash rent	107	117	129	129	142	142	142	142	142	142
Interest payable per acre on farm real estate debt	118	144	179	179	195	195	195	195	195	195
Taxes on farm real estate	100	107	114	114	119	119	119	119	119	119
Wage rates (seasonally adjusted)	107	117	127	128	135	135	135	135	135	135
Production items, interest, taxes, and wage rates	109	125	140	145	152	151	150	150	149	149
Prices received (1910-14=100)	526	602	615	660	649	646	628	610	593	591
Prices paid, etc. (Parity index) (1910-14=100)	747	850	955	989	1,039	1,037	1,040	1,042	1,039	1,039
Parity ratio ³	70	71	64	67	62	62	60	59	57	57

¹ Fresh market for noncitrus and fresh market and processing for citrus. ² Includes sweetpotatoes and dry edible beans. ³ Ratio of index of prices received to index of prices paid, taxes, and wage rates. p = preliminary.

Prices received by farmers, U.S. average

	Annual*			1980						
	1978	1979	1980	Nov	June	July	Aug	Sept	Oct	Nov p
Crops										
All wheat (\$/bu.)	2.82	3.51	3.88	4.32	3.70	3.62	3.62	3.65	3.77	3.80
Rice, rough (\$/cwt.)	9.29	9.05	11.07	11.60	11.90	12.80	12.10	10.90	10.20	9.83
Corn (\$/bu.)	2.10	2.36	2.70	3.10	3.17	3.14	2.87	2.55	2.45	2.33
Sorghum (\$/cwt.)	3.43	3.91	4.67	5.44	4.95	4.84	4.55	4.07	3.90	3.96
All hay, baled (\$/ton)	49.87	56.20	66.72	74.60	69.80	65.70	63.90	62.90	64.00	64.10
Soybeans (\$/bu.)	6.28	6.86	6.75	8.18	7.10	7.16	6.71	6.21	6.06	6.00
Cotton, Upland (cts./lb.)	55.2	58.0	71.3	77.6	71.1	70.2	65.0	58.0	62.3	63.0
Potatoes (\$/cwt.)	3.87	3.16	4.78	5.46	8.36	8.86	8.60	6.00	4.38	4.81
Dry edible beans (\$/cwt.)	18.56	19.57	24.83	26.30	36.80	35.40	26.70	22.90	23.50	24.10
Apples for fresh use (cts./lb.)	16.1	14.2	17.1	12.9	10.5	10.4	15.9	17.0	16.8	17.0
Pears for fresh use (\$/ton)	267	276	325	250	395	179	203	187	218	290
Oranges, all uses (\$/box) ²	4.70	3.34	3.26	4.81	4.93	3.22	3.44	2.78	2.37	4.50
Grapefruit, all uses (\$/box) ¹	2.35	2.97	2.73	3.17	2.81	2.91	2.69	2.96	4.18	2.65
Livestock										
Beef cattle (\$/cwt.)	48.50	66.10	62.40	60.00	60.80	59.70	59.00	58.90	55.80	53.90
Calves (\$/cwt.)	59.10	88.70	76.80	72.10	66.20	62.00	62.40	61.80	59.40	59.50
Hogs (\$/cwt.)	46.60	41.80	38.00	45.60	47.40	49.30	49.20	48.60	45.00	42.20
Lambs (\$/cwt.)	62.80	66.70	63.60	59.90	65.00	59.60	56.20	50.40	50.60	46.20
All milk, sold to plants (\$/cwt.)	10.60	12.00	13.00	14.00	13.40	13.40	13.40	13.80	14.00	14.10
Milk, manuf. grade (\$/cwt.)	9.65	11.10	12.00	12.90	12.50	12.40	12.40	12.60	12.90	13.00
Broilers (cts./lb.)	26.3	25.9	27.7	30.2	29.2	30.4	29.2	26.8	25.9	25.2
Eggs (cts./doz.) ³	52.2	58.3	56.3	65.8	57.1	58.4	59.3	64.6	63.8	69.5
Turkeys (cts./lb.)	43.6	41.1	41.3	50.1	41.4	42.7	40.7	38.3	33.3	35.6
Wool (cts./lb.) ³	74.6	86.3	88.1	92.1	106.0	102.0	94.6	89.0	89.6	90.8

¹ Equivalent on-tree returns. ² Average of all eggs sold by farmers including hatching eggs and eggs sold at retail. ³ Average local market price, excluding incentive payments. * Calendar year averages. p = preliminary.

Producer and Consumer Prices

Consumer Price Index for all urban consumers, U.S. average (not seasonally adjusted)

	Annual	1980								
	1980	Oct	Mar	Apr	May	June	July	Aug	Sept	Oct
1967=100										
Consumer price index, all items	246.8	253.9	265.1	266.8	269.0	271.3	274.4	276.5	279.3	279.9
Consumer price index, less food	244.0	250.9	262.3	264.2	267.0	269.5	272.7	274.9	278.2	279.0
All food	254.6	262.4	272.2	272.9	272.5	273.6	276.2	277.4	278.0	277.6
Food away from home	267.0	273.1	286.1	288.2	289.3	290.6	292.4	293.7	294.8	296.2
Food at home	251.5	260.0	268.6	268.7	267.7	268.7	271.6	272.8	273.2	272.1
Meats ¹	248.8	258.7	254.4	251.0	252.3	254.2	259.6	262.0	263.4	262.5
Beef and veal	270.3	275.8	270.3	267.4	270.3	271.1	274.5	275.9	277.1	274.9
Pork	209.1	225.8	221.6	217.4	217.3	221.2	231.5	235.3	238.1	238.6
Poultry	190.8	209.1	201.6	196.8	194.7	196.8	204.8	202.0	199.7	196.6
Fish	330.2	336.6	358.8	359.7	353.2	352.1	356.9	356.8	362.6	360.8
Eggs	169.7	175.3	180.5	184.3	170.5	172.1	174.2	177.5	188.8	185.9
Dairy products ²	227.4	232.7	242.6	243.5	243.8	243.8	244.2	243.8	244.3	244.6
Fats and oils ³	241.2	246.0	268.9	270.1	270.7	269.6	269.0	269.2	268.5	268.5
Fruits and vegetables	246.7	254.2	278.2	281.9	276.8	278.1	284.4	286.1	281.6	275.2
Fresh	252.6	262.3	293.9	296.4	284.4	285.2	294.0	295.8	286.9	273.5
Processed	242.5	247.5	263.3	268.6	270.9	272.8	276.4	277.9	278.3	279.4
Cereals and bakery products	246.4	253.7	266.7	268.3	270.0	271.5	272.4	272.6	274.3	275.0
Sugar and sweets	341.3	369.0	383.2	375.8	367.1	361.3	360.0	361.3	361.4	359.9
Beverages, nonalcoholic	395.8	404.9	412.2	414.4	412.3	412.8	410.3	413.1	413.7	414.8
Apparel commodities less footwear	167.8	173.1	172.7	174.0	173.3	172.5	171.2	174.3	178.0	178.4
Footwear	190.3	196.1	197.4	199.3	201.0	200.4	199.0	200.0	202.4	204.2
Tobacco products	202.6	204.5	212.5	213.3	218.2	219.1	219.3	219.9	221.7	225.3
Beverages, alcoholic	186.3	190.4	197.1	197.8	199.1	199.8	200.5	201.4	202.5	201.4

¹ Beef, veal, lamb, pork, and processed meat. ² Includes butter. ³ Excludes butter.

Producer Price Indexes, U.S. average (not seasonally adjusted)

	Annual			1980	1981					
	1978	1979	1980	Oct	May	June	July	Aug	Sept	Oct
	1967=100									
Finished goods ¹	194.6	216.1	247.0	255.4	269.6	270.5	271.3	271.2	271.1	274.0
Consumer foods	206.8	226.3	239.5	248.0	252.8	253.8	266.9	255.5	255.5	253.7
Fresh fruit	213.5	232.6	237.6	224.3	227.7	209.4	223.9	220.8	237.9	237.9
Fresh and dried vegetables	200.1	201.0	219.0	233.9	291.2	279.1	278.3	267.1	242.7	235.5
Eggs	158.6	176.5	171.0	175.2	165.0	174.5	185.1	180.7	193.2	193.8
Bakery products	201.3	221.7	247.8	252.1	265.4	266.8	267.8	268.4	272.0	272.8
Meats	209.6	240.6	235.9	251.4	235.8	239.7	250.4	252.4	250.0	242.3
Beef and veal	202.2	252.2	260.2	264.9	251.9	251.8	257.4	252.4	254.3	243.1
Pork	219.1	205.0	196.7	226.0	203.8	214.4	236.3	234.4	236.2	230.7
Poultry	194.0	188.6	193.3	213.1	197.5	199.9	205.2	202.6	190.1	176.5
Fish	313.0	383.8	370.9	349.9	386.4	386.6	382.9	367.2	362.6	375.6
Dairy products	188.4	211.2	230.6	238.0	245.0	245.6	245.5	245.5	246.0	247.4
Processed fruits and vegetables	202.6	221.9	228.7	233.8	260.1	263.3	266.5	267.6	270.3	271.3
Refined sugar ²	108.3	116.3	214.4	281.5	149.6	152.0	150.9	153.3	137.8	139.4
Vegetable oil and products	209.4	223.5	233.2	235.9	238.6	236.6	240.4	238.0	237.2	238.0
Consumer finished goods less foods	183.7	208.2	250.8	258.7	276.1	277.0	277.1	277.5	277.4	281.3
Beverages, alcoholic	148.2	161.4	175.8	180.6	188.9	189.5	190.0	191.1	190.4	191.1
Soft drinks	211.6	277.1	261.0	278.6	294.6	295.7	298.5	297.5	297.4	304.9
Apparel	152.4	160.4	172.4	176.2	182.4	185.0	186.2	186.5	187.2	187.9
Footwear	183.0	218.0	233.1	236.6	241.1	241.0	241.9	242.3	242.0	241.6
Tobacco products	198.5	217.7	245.7	249.4	268.4	268.4	268.5	268.6	274.2	278.0
Intermediate materials ³	215.5	242.8	280.3	287.7	306.7	307.2	308.6	309.9	309.6	309.3
Materials for food manufacturing	202.3	223.6	264.4	295.1	259.0	262.4	262.6	261.7	254.7	252.7
Flour	141.6	172.0	187.6	197.4	194.3	193.8	190.2	189.4	190.7	186.5
Refined sugar ⁴	109.3	119.3	212.9	285.5	171.7	181.9	162.4	165.2	140.6	147.9
Crude vegetable oils	219.2	243.7	202.8	210.3	187.0	186.4	199.0	186.6	178.7	176.7
Crude materials ⁵	240.1	282.2	304.6	322.8	334.4	335.4	336.2	333.2	327.7	320.3
Foodstuffs and feedstuffs	215.3	247.2	259.2	279.1	260.6	264.3	267.0	261.8	253.4	245.6
Fruits and vegetables ⁶	216.5	299.0	238.6	240.9	273.9	258.6	265.0	257.3	251.9	247.9
Grains	182.5	214.8	239.0	269.2	257.7	257.1	257.4	242.7	227.0	227.6
Livestock	220.1	260.3	252.7	263.0	251.8	263.0	266.5	262.0	257.3	244.4
Poultry, live	199.8	194.3	202.1	222.9	207.2	210.0	215.3	210.3	196.7	185.7
Fibers, plant and animal	193.4	209.9	271.1	278.5	258.3	259.6	251.3	232.5	206.5	211.7
Milk	219.7	250.1	271.2	280.9	283.6	285.0	284.3	285.0	287.3	294.3
Oilseeds	224.1	245.5	249.2	283.1	301.3	291.2	294.9	289.7	273.2	228.9
Coffee, green	378.2	416.2	430.3	403.0	305.2	266.7	261.4	286.9	286.9	285.1
Tobacco, leaf	191.5	207.7	222.2	223.3	235.7	235.7	247.5	254.7	262.5	n.a.
Sugar, raw cane	190.2	209.8	413.0	586.6	224.2	262.6	271.5	253.9	211.7	219.3
All commodities	209.3	235.6	268.8	277.8	294.1	294.8	296.0	296.2	295.5	296.0
Industrial commodities	209.4	236.5	274.8	282.0	304.7	305.1	306.0	307.0	307.2	308.8
All foods ⁷	206.5	266.3	244.5	258.8	250.3	252.2	265.5	253.7	251.7	249.4
Farm products and processed foods and feeds	206.6	229.8	244.7	259.4	252.9	254.3	256.6	253.9	250.0	246.1
Farm products	212.5	241.4	249.4	263.6	259.6	260.7	263.1	257.8	251.0	243.3
Processed foods and feeds	202.6	222.5	241.2	256.1	248.2	249.9	252.1	250.7	248.4	246.6
Cereal and bakery products	190.3	210.3	236.0	241.5	256.3	256.4	257.2	256.6	258.0	256.6
Sugar and confectionery	197.8	214.7	322.5	404.7	262.8	274.8	269.8	269.1	246.8	250.0
Beverages	200.0	210.7	233.0	239.5	247.6	248.1	246.3	246.3	245.6	248.3

¹ Commodities ready for sale to ultimate consumer. ² Consumer size packages, Dec. 1977=100. ³ Commodities requiring further processing to become finished goods. ⁴ For use in food manufacturing. ⁵ Products entering market for the first time which have not been manufactured at that point. ⁶ Fresh and dried. ⁷ Includes all processed food (except soft drinks, alcoholic beverages, and manufactured animal feeds) plus eggs and fresh and dried fruits and vegetables. n.a.=not available.

Farm-Retail Price Spreads

Market basket of farm foods

	Annual			1980 p	1981					
	1978	1979	1980p	Oct	May	June	July	Aug	Sept	Oct
Market basket¹:										
Retail cost (1967=100)	199.4	222.7	238.8	247.3	254.7	255.9	259.5	206.6	260.8	259.5
Farm value (1967=100)	205.6	228.1	240.3	256.2	246.6	251.1	259.1	253.6	251.3	247.5
Farm-retail spread (1967=100)	195.7	219.6	238.0	242.0	259.4	258.7	259.7	264.6	267.0	266.4
Farm value/retail cost (%)	38.2	37.9	37.2	38.3	35.8	36.3	37.0	36.0	35.5	35.3
Meat Products:										
Retail cost (1967=100)	206.8	241.9	248.8	258.7	252.3	254.2	259.6	262.0	263.4	244.6
Farm value (1967=100)	206.4	234.6	234.0	250.9	235.1	242.3	256.8	249.2	249.5	241.9
Farm-retail spread (1967=100)	207.3	250.4	266.1	267.9	272.4	268.1	262.8	277.0	279.4	286.6
Farm value/retail cost (%)	53.8	52.3	50.7	52.3	50.3	51.4	53.4	51.3	51.0	49.7
Dairy Products:										
Retail cost (1967=100)	185.5	207.0	227.4	232.7	243.8	243.8	244.2	243.8	244.3	244.6
Farm value (1967=100)	204.7	234.0	254.9	262.8	270.9	272.2	272.4	272.6	273.9	272.4
Farm-retail spread (1967=100)	168.8	183.6	203.5	206.5	220.2	219.1	219.6	226.9	218.4	234.1
Farm value/retail cost (%)	51.4	52.6	52.2	52.6	51.7	52.0	51.9	52.0	52.0	50.3
Poultry:										
Retail cost (1967=100)	172.9	181.5	190.8	209.1	194.7	196.8	204.8	202.0	199.7	196.6
Farm value (1967=100)	202.1	199.4	211.7	241.4	214.0	222.2	231.1	221.9	204.0	195.0
Farm-retail spread (1967=100)	144.7	164.2	170.5	177.9	176.0	172.2	179.3	182.8	195.6	198.1
Farm value/retail cost (%)	57.5	54.0	54.6	56.8	54.1	55.5	55.5	54.0	50.2	48.8
Eggs:										
Retail cost (1967=100)	157.8	172.8	169.7	175.3	170.5	172.1	174.2	177.6	188.8	185.9
Farm value (1967=100)	178.9	199.2	190.9	190.2	182.2	201.7	199.4	200.0	230.8	233.4
Farm-retail spread (1967=100)	127.3	134.6	139.2	153.7	153.6	129.3	137.8	145.3	128.1	131.6
Farm value/retail cost (%)	67.0	68.1	66.5	64.1	63.2	69.3	67.6	66.6	72.3	71.0
Cereal and bakery products:										
Retail cost (1967=100)	199.9	220.2	246.4	253.7	270.0	271.5	272.4	272.6	274.3	275.0
Farm value (1967=100)	163.9	189.9	221.1	244.3	221.7	214.8	215.0	211.1	203.5	201.2
Farm-retail spread (1967=100)	207.3	226.3	251.7	258.2	280.0	283.2	284.3	285.3	288.9	290.3
Farm value/retail cost (%)	14.1	14.8	15.4	16.4	14.1	13.6	13.5	13.3	12.7	12.5
Fresh fruits:										
Retail cost (1967=100)	230.1	258.5	271.8	283.3	282.3	286.0	304.6	321.4	320.0	301.7
Farm value (1967=100)	237.9	237.6	242.7	220.3	200.2	225.1	224.3	266.0	285.3	352.0
Farm-retail spread (1967=100)	226.6	267.9	284.8	311.6	319.1	313.3	340.6	346.3	335.6	279.1
Farm value/retail cost (%)	32.0	28.5	27.7	24.1	22.0	24.4	22.3	26.0	27.6	36.2
Fresh vegetables:										
Retail costs (1967=100)	216.2	222.5	242.2	252.4	291.7	291.1	295.9	285.5	268.6	256.8
Farm value (1967=100)	215.7	204.3	215.8	206.7	293.9	270.8	299.7	300.3	244.8	211.6
Farm-retail spread (1967=100)	216.5	231.1	254.7	273.9	290.6	300.6	294.1	278.6	280.8	278.0
Farm value/retail cost (%)	31.9	29.4	28.5	26.2	32.2	29.8	32.4	33.6	29.2	26.4
Processed fruits and vegetables:										
Retail cost (1967=100)	208.7	226.6	242.5	247.5	270.9	272.8	276.4	277.9	278.3	279.4
Farm value (1967=100)	221.9	235.3	242.6	249.7	304.2	310.9	307.9	299.7	299.7	299.9
Farm-retail spread (1967=100)	205.8	224.7	242.4	247.0	263.5	264.4	269.4	273.1	273.6	274.9
Farm value/retail costs (%)	19.3	18.8	18.1	18.3	20.4	20.7	20.2	19.5	19.5	19.5
Fats and oils:										
Retail cost (1967=100)	209.6	226.3	241.2	246.0	270.7	269.6	269.0	269.2	268.5	265.8
Farm value (1967=100)	257.4	278.0	249.9	253.8	286.6	278.3	280.5	239.0	225.2	227.0
Farm-retail spread (1967=100)	191.1	206.4	237.8	243.0	264.6	266.3	264.6	280.8	285.2	284.4
Farm value/retail cost (%)	34.1	34.1	28.8	28.7	29.4	28.7	29.0	24.7	23.3	23.5

¹ Retail costs are based on indexes of retail prices for domestically produced farm foods from the CPI-U published monthly by the Bureau of Labor Statistics. The farm value is the payment to farmers for quantity of farm product equivalent to retail unit, less allowance for byproduct. Farm values are based on prices at first point of sale and may include marketing charges such as grading and packing for some commodities. The farm-retail spread, the difference between the retail price and the farm value, represents charges for assembling, processing, transporting, and distributing these foods.

Farm-retail price spreads

	Annual			1980	1981					
	1978	1979	1980	Oct	May	June	July	Aug	Sept	Oct
Beef, Choice:										
Retail price ¹ (cts./lb.)	181.9	226.3	237.6	241.6	234.3	238.9	242.9	242.7	243.8	241.5
Net carcass value ² (cts.)	119.3	150.5	155.4	156.6	155.2	158.4	159.9	154.1	153.9	144.2
Net farm value ³ (cts.)	111.1	140.8	145.0	145.2	145.6	149.2	147.9	142.9	142.8	133.4
Farm-retail spread (cts.)	70.8	85.5	92.6	96.4	88.7	89.7	95.0	99.8	101.0	108.1
Carcass-retail spread ⁴ (cts.)	62.6	75.8	82.2	85.0	79.1	80.5	83.0	88.6	89.9	97.3
Farm-carcass spread ⁴ (cts.)	8.2	9.7	10.4	11.4	9.6	9.2	12.0	11.2	11.1	10.8
Farm value/retail price (%)	61	62	61	60	62	62	61	59	59	55
Pork:¹										
Retail price ¹ (cts./lb.)	143.6	144.1	139.4	152.8	144.9	146.6	154.9	158.1	159.5	160.4
Wholesale value ² (cts.)	107.7	100.4	98.0	113.3	101.5	109.5	114.5	113.6	112.7	107.9
Net farm value ³ (cts.)	76.6	66.6	63.2	76.1	66.3	77.5	80.9	80.4	78.3	71.8
Farm-retail spread (cts.)	67.0	77.5	76.2	76.7	78.6	69.1	74.0	77.7	81.2	88.6
Wholesale-retail spread ⁴ (cts.)	35.9	43.7	41.4	39.5	43.4	37.1	40.4	44.5	46.8	52.5
Farm-wholesale spread ⁴ (cts.)	31.8	33.8	34.8	37.2	35.2	32.0	33.6	33.2	34.4	36.1
Farm value/retail price (%)	53	46	45	50	46	53	52	51	49	45

¹ Estimated weighted average price of retail cuts from pork and yield grade 3 beef carcasses. Retail prices from 8LS. ² Value of carcass quantity equivalent to 1 lb. of retail cuts-beef adjusted for value of fat and bone byproducts. ³ Market value to producer for quantity of live animal equivalent to 1 lb. retail cuts minus value of byproducts. ⁴ Represents charges for retailing and other marketing services such as fabricating, wholesaling, and in-city transportation. ⁵ Represents charges made for livestock marketing, processing and transportation to city where consumed.

Price Indexes of food marketing costs¹

	Annual			1980			1981		
	1978	1979	1980	II	III	IV ²	I	II	III
1967=100									
Labor-hourly earnings and benefits	244.4	265.8	292.6	288.1	295.9	304.9	315.1	320.9	325.9
Processing	237.2	257.9	283.3	281.2	285.5	291.6	301.8	308.0	312.8
Wholesaling	239.4	260.4	283.5	281.0	284.9	293.7	302.6	309.9	313.1
Retailing	253.8	276.1	306.4	298.3	311.2	323.2	333.9	338.6	344.7
Intermediate supplies and services	212.7	240.3	281.1	279.3	284.6	291.2	303.6	313.7	320.4
Packaging and containers	204.7	228.4	261.5	264.1	262.5	265.7	273.2	281.4	287.6
Paperboard boxes and containers	179.3	202.1	234.7	235.5	235.8	241.6	254.6	260.8	261.7
Metal cans	260.8	293.0	325.7	331.5	331.5	330.6	337.9	341.7	352.1
Paper bags and related products	186.2	209.7	238.1	237.2	242.3	244.1	251.4	268.7	262.1
Plastic films and bottles	192.8	216.9	258.9	270.6	254.4	250.7	251.4	263.2	279.1
Glass containers	244.6	261.1	292.6	290.4	293.1	309.4	312.4	331.7	334.8
Metal foil	159.0	175.6	184.4	182.7	181.8	190.1	192.9	203.6	205.8
Transportation services	220.5	251.3	297.9	290.9	308.4	315.7	335.8	340.3	351.1
Advertising	179.2	197.4	214.5	213.3	216.5	219.3	227.7	233.0	236.9
Fuel and Power	331.3	418.2	564.0	563.6	580.1	586.6	634.7	677.6	683.1
Electric	250.8	270.3	320.1	314.7	333.0	335.3	348.3	361.1	380.2
Petroleum	398.1	574.6	850.8	863.3	873.3	877.7	1,005.0	1,096.1	1,072.4
Natural gas	429.0	544.8	733.7	725.3	757.4	769.5	779.5	822.6	840.8
Communications, water and sewage	147.4	148.7	153.9	152.3	155.1	157.6	161.4	164.3	171.5
Rent	199.2	216.4	235.4	233.5	237.5	243.5	245.9	252.3	258.5
Maintenance and repair	226.4	249.7	277.1	275.3	280.1	286.8	294.1	302.0	306.6
Business services	195.2	211.0	231.9	229.9	235.3	238.7	244.0	252.6	257.5
Supplies	197.9	224.3	258.8	257.9	261.4	266.4	274.5	284.1	287.2
Property taxes and insurance	237.2	246.9	270.6	267.3	274.2	279.8	286.5	292.5	297.9
Interest, short-term	156.4	213.5	240.3	210.4	188.8	284.0	284.1	300.4	317.3
Total marketing cost index	227.0	252.2	286.2	283.2	289.6	297.3	308.8	316.9	322.8

¹ Indexes measure changes in employee wages and benefits and in prices of supplies and services used in processing, wholesaling, and retailing U.S. farm foods purchased for at-home consumption. ² Preliminary.

Livestock and Products

Dairy:

	Annual			1980	1981					
	1978	1979	1980	Oct	May	June	July	Aug	Sept	Oct
Milk production:										
Total milk (mil. lb.)	121,461	123,411	128,425	10,455	12,064	11,628	11,320	11,065	10,650	10,736
Milk per cow (lb.)	11,243	11,488	11,875	963	1,111	1,069	1,039	1,014	974	981
Number of milk cows (thou.)	10,803	10,743	10,815	10,861	10,862	10,880	10,898	10,911	10,929	10,940
Milk prices, Minnesota-Wisconsin,										
3.5% fat (\$/cwt.) ¹	9.57	10.91	11.88	12.42	12.61	12.59	12.53	12.47	12.46	12.52
Price of 16% dairy ration (\$/ton)	138	156	177	192	200	197	192	189	185	183
Milk-feed Price ratio (lb.) ²	1.53	1.54	1.47	1.42	1.35	1.36	1.40	1.43	1.48	1.53
Stocks, beginning										
Total milk equiv. (mil. lb.) ³	8,626	8,730	8,599	12,884	17,242	18,160	19,534	20,222	20,508	19,764
Commercial (mil. lb.)	4,916	4,475	6,419	6,116	6,085	6,026	5,921	5,949	5,831	5,206
Government (mil. lb.)	3,710	4,254	3,180	6,768	11,157	12,133	13,613	14,273	14,677	14,558
Imports, total equiv. (mil. lb.) ³	2,310	2,305	2,107	248	132	150	250	147	179	n.a.
USDA net removals:										
Total milk equiv. (mil. lb.) ³	2,743	2,119	8,800	432.2	1,705.8	1,438.8	1,112.8	581.1	429.4	756.1
Butter:										
Production (mil. lb.)	994.3	984.6	1,145.3	91.4	116.2	98.6	84.1	85.0	86.3	n.a.
Stocks, beginning (mil. lb.)	184.9	206.9	177.8	302.9	450.4	473.6	507.5	515.5	515.6	490.0
Wholesale price, Grade A Chl. (cts./lb.)	109.8	122.4	139.3	147.1	147.3	147.5	147.9	148.0	148.5	150.6
USDA net removals (mil. lb.)	112.0	81.6	257.0	16.5	48.9	31.4	17.7	12.1	6.9	23.5
Commercial disappearance (mil. lb.)	903.6	895.0	878.8	66.3	70.5	73.7	65.1	75.1	87.4	n.a.
American cheese:										
Production (mil. lb.)	2,074.2	2,189.9	2,374.6	186.6	253.5	243.6	217.9	202.8	188.2	n.a.
Stocks, beginning (mil. lb.)	422.1	378.8	406.6	565.6	725.7	766.1	828.0	881.6	903.5	886.4
Wholesale price, Wis. assembly pt. (cts./lb.)	107.1	123.8	133.0	141.2	138.8	138.8	138.6	139.3	139.7	140.9
USDA net removals (mil. lb.)	39.7	40.2	349.7	8.8	70.2	79.5	75.2	33.3	28.6	27.2
Commercial disappearance (mil. lb.)	2,064.7	2,113.1	2,023.9	193.5	187.9	164.6	143.1	185.1	203.1	n.a.
Other Cheese:										
Production (mil. lb.)	1,445.5	1,527.3	1,608.5	145.6	133.4	142.3	129.2	131.0	136.3	n.a.
Stocks, beginning (mil. lb.)	64.0	78.4	105.6	112.4	92.5	94.2	100.8	98.5	103.2	95.7
Commercial disappearance (mil. lb.)	1,655.5	1,730.4	1,827.9	178.3	144.7	151.7	149.1	142.3	164.2	n.a.
Nonfat dry milk:										
Production (mil. lb.)	920.4	908.7	1,160.7	72.8	135.3	132.6	120.0	114.8	94.5	n.a.
Stocks, beginning (mil. lb.)	677.9	585.1	485.2	599.4	645.3	693.1	733.1	742.6	806.1	809.2
Wholesale price, avg. manf. (cts./lb.)	71.4	80.0	88.7	92.2	93.9	93.9	93.8	93.8	93.9	n.a.
USDA net removals (mil. lb.)	285.0	255.3	634.3	38.3	97.5	102.4	75.7	70.0	54.0	65.3
Commercial disappearance (mil. lb.)	658.4	603.1	538.9	35.4	23.5	30.5	61.6	39.6	57.6	n.a.
Frozen dessert Production (mil. gal.)⁴	1,173.5	1,152.1	1,166.1	91.4	104.0	121.0	126.6	114.3	103.3	n.a.

¹ Manufacturing grade milk. ² Pounds of 16% protein ration equal in value to 1 pound of milk. ³ Milk equivalent, fat-solids basis. ⁴ Ice cream, ice milk, and sherbert.

⁵ Domestic sales exceeded purchases. n.a. = not available.

Wool

	Annual			1980	1981					
	1978	1979	1980	Oct	May	June	July	Aug	Sept	Oct
U.S. wool price, Boston ¹ (cts./lb.)	189	218	245	253	278	283	283	283	283	283
Imported wool price, Boston ² (cts./lb.)	230	257	265	271	287	290	291	292	290	289
U.S. mill consumption, scoured										
Apparel wool (thou. lb.)	102,246	106,533	113,423	10,793	10,228	12,750	8,389	10,072	11,457	n.a.
Carpet wool (thou. lb.)	13,009	10,513	10,655	930	775	918	769	982	1,146	n.a.

¹ Wool price delivered at U.S. mills, clean basis, Graded Territory 64's (20.60-22.04 microns) staple 2 1/4" and up. Prior to January 1976 reported as: Territory fine, good French combing and staple. ² Wool price delivered at U.S. mills, clean basis, Australian 60/62's, type 64A (24 micron), including duty (25.5 cents). Duty in 1981 is 15.0 cents. Prior to January 1976 reported as: Australian 64's combing, excluding. n.a., not available.

Meat animals:

	Annual			1980	1981					
	1978	1979	1980	Oct	May	June	July	Aug	Sept	Oct
Cattle on feed (7-States)										
Number on feed (thou. head) ¹	8,927	9,226	8,454	7,251	7,030	7,054	6,846	6,451	6,289	6,596
Placed on feed (thou. head) ²	22,593	19,877	18,320	2,246	1,619	1,313	1,082	1,419	1,825	2,047
Marketings (thou. head)	20,297	18,793	17,422	1,576	1,400	1,439	1,412	1,526	1,432	1,445
Other disappearance (thou. head)	1,997	1,856	1,489	130	195	82	65	55	86	85
Beef steer-corn price ratio, Omaha (bu.) ³	24.8	28.7	25.1	21.3	20.6	21.4	21.5	23.8	26.0	25.4
Hog-corn price ratio, Omaha (bu.) ³	22.9	18.1	14.6	15.2	12.9	15.2	15.9	18.1	19.8	18.7
Commercial slaughter (thou. head)*										
Cattle	39,552	33,678	33,807	3,220	2,751	2,922	2,915	2,929	3,018	3,117
Steers	18,526	17,363	17,158	1,533	1,457	1,525	1,453	1,414	1,426	1,478
Heifers	11,758	9,725	9,593	950	740	813	860	912	935	943
Cows	8,470	5,923	6,332	665	489	515	531	533	582	629
Bulls and stags	798	639	724	72	65	69	72	70	74	67
Calves	4,170	2,824	2,588	258	182	200	228	225	260	271
Sheep and lambs	5,369	5,017	5,579	534	442	459	460	490	570	574
Hogs	77,315	89,099	96,074	8,737	7,298	6,963	6,813	6,855	7,612	8,143
Commercial production (mil. lb.)										
Beef	24,010	21,261	21,464	2,026	1,761	1,856	1,818	1,825	1,889	1,966
Veal	600	410	379	38	30	32	34	33	37	40
Lamb and mutton	300	284	310	29	24	24	24	25	30	31
Pork	13,209	15,270	16,432	1,485	1,254	1,201	1,162	1,158	1,288	1,391

Dol. per 100 pounds

Market Prices

Slaughter cattle:										
Choice steers, Omaha	52.34	67.75	66.96	67.18	66.86	68.26	67.86	66.37	65.37	61.45
Utility cows, Omaha	36.79	50.10	45.73	45.93	42.39	42.88	43.78	44.31	42.47	40.61
Choice vealers, S. St. Paul	69.24	91.41	75.53	83.40	84.25	82.88	76.00	77.25	77.30	71.75
Feeder cattle:										
Choice, Kansas City, 600-700 lb.	58.78	83.08	75.23	76.05	65.79	65.12	63.22	65.75	66.16	64.07
Slaughter hogs:										
Barrows and gilts, 7-markets ⁴	48.49	42.06	40.04	48.15	42.05	49.04	50.66	50.92	49.68	45.61
Feeder pigs:										
S. Mo. 40-50 lb. (per head)	48.16	35.26	30.14	37.75	36.10	37.88	32.88	38.55	40.23	34.20
Slaughter sheep and lambs:										
Lambs, Choice, San Angelo	65.33	68.45	66.64	66.19	65.38	67.76	64.38	61.62	52.30	54.25
Ewes, Good, San Angelo	28.97	32.82	24.68	21.90	21.81	23.12	26.75	21.12	21.00	24.50
Feeder lambs:										
Choice, San Angelo	75.61	77.53	68.36	69.75	60.69	62.92	56.62	54.56	51.40	51.62
Wholesale meat prices, Midwest⁵										
Choice steer beef, 600-700 lb.	80.43	101.62	104.44	105.49	103.32	106.52	107.23	103.90	102.96	96.02
Canner and Cutter cow beef	74.61	100.23	92.45	90.88	83.75	84.58	85.17	88.93	84.82	78.98
Pork loins, 8-14 lb.	95.99	91.35	84.87	96.74	94.16	102.31	105.70	104.88	104.56	98.77
Pork bellies 12-14 lb.	62.50	46.00	43.78	57.12	45.07	55.26	54.74	59.54	60.07	55.43
Hams, skinned, 14-17 lb.	86.37	77.04	73.34	87.10	70.96	78.08	82.88	84.33	84.67	84.20

	Annual			1980	1981					
	1978	1979	1980	I	III	IV	I	II	III	IV
Cattle on feed (23-States):										
Number on feed (thou. head) ¹	12,811	12,681	11,713	10,203	9,620	9,965	11,105	9,768	9,570	9,032
Placed on feed (thou. head) ²	29,073	26,062	24,557	5,640	6,359	7,340	5,154	5,953	5,673	—
Marketings (thou. head)	26,645	24,600	23,183	5,634	5,716	5,677	5,999	5,591	5,930	—
Other disappearance (thou. head) ²	2,558	2,404	1,982	589	298	523	502	560	281	—
Hogs and pigs (14-States):⁶										
Inventory (thou. head) ¹	48,308	51,370	57,130	54,805	54,840	55,160	54,780	50,105	51,205	52,160
Breeding (thou. head) ¹	7,324	8,102	8,055	8,085	7,853	7,422	7,679	7,219	7,105	7,056
Market (thou. head) ¹	40,984	43,268	49,075	46,720	40,987	47,738	47,083	42,886	44,100	45,104
Farrowings (thou. head)	10,602	12,317	11,861	3,356	2,838	2,917	2,434	3,023	3,075	2,735
Pig crop (thou. head)	75,595	87,393	85,915	24,600	20,382	21,211	17,609	23,202	20,153	—

¹ Beginning of period. ² Other disappearance excluded in 1973; not comparable with 1974 and 1975. ³ Bushels of corn equal in value to 100 pounds liveweight. ⁴ 220-240 lb. Beginning in January 230-240 lb. ⁵ Prior to Oct. 1975, Chicago. ⁶ Quarters are Dec. preceding year-Feb. (I), Mar.-May (II), June-Aug. (III), and Sept.-Nov. (IV). ⁷ Intentions. * Classes estimated.

Poultry and eggs

	Annual			1980	1981					
	1978	1979	1980	Oct	May	June	July	Aug	Sept	Oct
Eggs										
Farm Production (mil.)	67,300	69,325	69,665	5,951	5,818	5,563	5,733	5,777	5,613	5,844
Average number of layers on farms (mil.)	282	289	287	292	282	279	280	281	283	286
Rate of lay (eggs per layer)	239	240	242	20.4	20.6	19.9	20.5	20.5	19.9	20.5
Cartoned price, New York, grade A large (cts./doz.) ¹	61.7	68.2	66.9	69.0	66.8	67.1	71.8	73.3	74.7	75.7
Price of laying feed (\$/ton)	152	168	188	206	217	219	214	207	203	197
Egg-feed price ratio (lb.) ²	6.9	6.9	6.0	5.7	5.2	5.2	5.5	5.7	6.4	6.5
Stocks, beginning of period:										
Shell (thou. cases)	39	38	38	39	32	25	41	41	21	20
Frozen (mil. lb.)	29.7	25.3	23.4	29.7	21.9	22.7	24.2	26.9	27.2	25.5
Replacement chicks hatched (mil.)	492	519	484	37.3	44.3	39.4	31.2	33.1	32.3	35.3
Broilers										
Federally inspected slaughter, certified (mil. lb.)	9,883	10,916	11,089	987.3	1,017.6	1,034.7	1,031.2	993.2	1,025.0	—
Wholesale price, 9-city, (cts./lb.)	44.5	44.4	46.8	49.7	46.3	49.3	50.2	47.3	43.6	43.7
Price of broiler grower feed (\$/ton)	169	189	207	228	235	234	233	225	222	214
Broiler-feed price ratio (lb.) ³	3.1	2.8	2.7	2.8	2.4	2.5	2.6	2.6	2.4	2.4
Stocks, beginning of period (mil. lb.)	29.4	20.1	30.6	26.8	27.7	26.5	30.1	36.3	33.6	31.0
Average weekly placements of broiler chicks, 21 States (mil.)	70.9	76.8	77.9	72.6	⁴ 85.5	⁴ 84.7	³ 80.1	³ 77.4	³ 76.8	72.6
Turkeys										
Federally inspected slaughter, certified (mil. lb.)	1,983	2,182	2,303	271.5	178.3	224.3	249.4	257.9	270.6	—
Wholesale price, New York, 8-16 lb. young hens (cts./lb.)	66.7	68.1	63.6	—	63.5	66.2	66.8	61.8	59.5	56.4
Price of turkey grower feed (\$/ton)	182	202	223	247	255	256	256	250	248	239
Turkey-feed price ratio (lb.) ³	4.6	4.1	3.5	3.9	3.1	3.2	3.3	3.3	3.1	2.8
Stocks, beginning of period (mil. lb.)	167.9	175.1	240.0	398.8	228.7	255.8	327.3	400.8	466.0	532.1
Poults hatched (mil.)	157.6	180.0	188.7	10.0	22.1	21.4	18.6	12.7	8.2	9.6

¹ Price of cartoned eggs to volume buyers for delivery to retailers. ² Pounds of feed equal in value to 1 dozen eggs or 1 lb. of broiler or turkey liveweight. ³ 19 States as of July 11, 1981. ⁴ 21 States prior to July 11, 1981.

Crops and Products

Feed grains

	Marketing year ¹			1980	1981					
	1978/79	1979/80	1980/81	Oct	May	June	July	Aug	Sept	Oct
Wholesale prices:										
Corn, No. 2 yellow, Chicago (\$/bu.)	2.54	2.81	3.38	3.43	3.47	3.41	3.41	3.09	2.72	2.61
Sorghum, No. 2 yellow, Kansas City (\$/cwt.)	4.00	4.64	5.36	5.65	5.38	5.23	6.29	4.58	4.16	4.14
Barley, feed, Minneapolis (\$/bu.)	1.80	2.16	2.60	2.77	2.39	2.09	2.26	2.35	2.21	2.26
Barley, malting, Minneapolis (\$/bu.) ²	2.38	2.87	3.64	3.80	3.80	3.34	2.95	3.15	3.05	3.02
Exports:										
Corn (mil. bu.)	2,133	2,433	2,355	242	209	159	148	141	151	n.a.
Feed grains (mil. metric tons) ³	60.2	71.3	69.4	6.9	6.0	4.6	4.7	4.7	4.9	n.a.
	Marketing year ¹			1980			1981			
	1978/79	1979/80	1980/81	Jan-Mar	Apr-May	June-Sept	Oct-Dec	Jan-Mar	Apr-May	June-Sept p
Corn:										
Stocks, beginning (mil. bu.)	1,111	1,304	1,617	6,886	4,857	3,670	1,618	5,857	3,997	2,774
Domestic use:										
Feed (mil. bu.)	4,324	4,519	4,150	1,308	682	979	1,528	1,087	696	831
Food, seed, ind. (mil. bu.)	620	675	735	139	119	272	152	140	131	312
Feed grains³										
Stocks, beginning (mil. metric tons)	41.4	46.2	52.4	206.2	144.1	107.9	60.3	172.9	117.6	80.7
Domestic use:										
Feed (mil. metric tons)	135.9	138.6	122.8	39.6	20.3	30.4	45.6	31.9	21.1	24.9
Food, seed, ind. (mil. metric tons)	20.9	22.4	24.1	4.8	4.3	8.6	5.0	4.8	4.5	9.5

¹ Beginning October 1 for corn and sorghum; June 1 for oats and barley. ² No. 3 or better, 65% or better, plump beginning October 1977. ³ Aggregated data for corn, sorghum, oats, and barley. p. Preliminary. n.a. not available.

Fats and oils

	Marketing Year ¹			1980						
	1978/79	1979/80	1980/81	Oct.	May	June	July	Aug	Sept	Oct
Soybeans:										
Wholesale Price, No. 1 yellow, Chicago (\$/bu.) . . .	7.09	6.46	7.59	8.06	7.53	7.09	7.28	6.95	6.50	—
Crushings (mil. bu.)	1,017.8	1,123.0	1,020.5	97.8	82.3	73.4	72.3	74.6	75.4	—
Exports (mil. bu.)	753.0	875.0	724.3	60.3	69.6	41.8	29.6	41.8	50.9	—
Soybean oil:										
Wholesale price, crude, Decatur (cts./lb.)	27.2	24.3	22.5	25.1	21.6	21.3	22.8	20.8	19.4	19.7
Production (mil. lb.)	11,323.4	12,105.3	11,269.3	1,080.2	914.9	830.7	815.8	827.2	854.9	—
Domestic disappearance (mil. lb.)	8,941.7	8,980.7	9,122.6	797.0	752.2	733.4	833.9	767.0	790.2	—
Exports (mil. lb.)	2,334.0	2,690.0	1,626.7	119.6	114.8	125.0	96.0	301.4	106.9	—
Stocks, beginning (mil. lb.)	729.0	776.0	1,210.0	1,373.9	2,118.8	2,166.3	2,138.6	2,024.4	1,783.1	1,740.9
Soybean meal:										
Wholesale price, 44% Protein, Decatur (\$/ton) . . .	190.06	181.91	218.18	246.4	221.0	200.9	204.1	202.2	190.0	—
Production (thou. ton)	24,354.4	27,105.1	24,316.7	2,325.7	1,963.2	1,765.3	1,734.4	1,787.8	1,823.2	—
Domestic disappearance (thou. ton)	1,772.0	19,238.4	17,612.1	1,856.9	1,360.9	1,424.7	1,466.7	1,325.9	1,597.0	—
Exports (thou. ton)	6,610.0	7,908.0	6,767.5	452.0	526.4	387.1	320.0	416.9	297.3	—
Stocks, beginning (thou. ton)	243.0	267.4	225.6	242.4	211.7	287.6	241.1	188.8	233.8	162.7
Margarine, wholesale price, Chicago (cts./lb.)	43.5	50.3	47.0	47.3	41.0	41.7	43.0	42.6	40.8	40.0

¹ Beginning September 1 for soybeans; October 1 for soy meal and oil; calendar year for margarine.

Fruit

	Annual			1980						
	1978	1979	1980	Oct	May	June	July	Aug	Sept	Oct
Wholesale price indexes:										
Fresh fruit (1967=100)	217.6	230.4	237.3	223.4	227.7	209.4	223.9	220.8	237.9	237.9
Dried fruit (1967=100)	355.3	530.7	380.4	397.3	382.2	382.2	384.3	384.3	384.3	388.5
Canned fruit and juice (1967=100)	213.9	240.2	256.4	258.8	272.6	274.5	273.9	278.6	278.8	281.6
Frozen fruit and juice (1967=100)	232.0	248.5	244.3	243.1	317.2	317.2	316.4	319.9	318.0	317.9
F.o.b. shipping point prices:										
Apples, Yakima Valley (\$/ctn.) ¹	n.a.	n.a.	n.a.	8.54	⁴ 9.54	⁴ 10.16	⁴ 12.09	15.77	16.08	13.15
Pears, Medford, Or. (\$/box) ²	n.a.	n.a.	n.a.	10.42	n.a.	n.a.	n.a.	n.a.	9.05	8.71
Oranges, U.S. avg. (\$/box)	10.69	12.50	9.50	12.00	10.10	10.80	12.20	12.80	12.30	12.00
Grapefruit, U.S. avg. (\$/box)	6.72	8.00	8.50	9.52	11.20	13.00	13.80	12.20	12.70	10.00
Stocks, beginning:										
Fresh apples (mil. lb.)	³ 2,624.5	³ 2,789.6	³ 3,222.0	1,550.1	994.2	553.4	186.7	84.6	17.9	1,408.8
Fresh pears (mil. lb.)	³ 195.3	³ 157.6	³ 206.0	435.4	36.2	11.6	n.a.	3.1	63.3	516.7
Frozen fruit (mil. lb.)	³ 517.9	³ 563.7	³ 578.0	631.7	404.8	374.2	406.1	513.8	536.3	553.4
Frozen fruit juices (mil. lb.)	³ 714.0	³ 734.3	³ 1,005.4	1,208.8	1,640.0	1,866.9	1,866.8	1,644.5	1,507.4	1,324.6

¹ Red Delicious, Washington extra fancy, carton tray pack, 80-125's. ² Bartlett pears, Medford, or wrapped, U.S. No. 1, 90-135's. ³ Stocks as of January 1 of year listed. ⁴ C.A. storage. n.a. = not available.

Food grains

	Marketing year ¹			1980						
	1978/79	1979/80	1980/81	Oct	May	June	July	Aug	Sept	Oct
Wholesale prices:										
Wheat, No. 1 HRW, Kansas City (\$/bu.) ²	3.38	4.25	4.45	4.70	4.36	4.24	4.25	4.14	4.19	4.31
Wheat, Dns, Minneapolis (\$/bu.) ²	3.17	4.16	4.46	4.62	4.44	4.29	4.18	4.03	4.07	4.22
Flour, Kansas City (\$/cwt.)	7.81	10.03	10.35	10.60	10.31	10.53	10.28	10.30	10.20	10.02
Flour, Minneapolis (\$/cwt.)	8.17	10.27	10.98	11.11	11.08	11.13	10.81	10.75	10.59	10.52
Rice, S.W. La. (\$/cwt.) ³	18.40	22.15	25.95	23.40	28.00	27.90	27.50	26.40	24.30	23.25
Wheat:										
Exports (mil. bu.)	1,194	1,375	1,510	121	84	132	142	150	198	—
Mill grind (mil. bu.)	622	630	647	58	52	53	51	53	56	—
Wheat flour Production (mil. cwt.)	278	283	290	26	23	24	23	24	25	—
	Marketing year ¹			1980						
	1978/79	1979/80	1980/81	Jan-Mar	Apr-May	June-Sept	Oct-Dec	Jan-Mar	Apr-May	June-Sept
Wheat:										
Stocks, beginning (mil. bu.)	1,178	924	902	1,716	1,225	902	2,472	1,904	1,329	988
Domestic use:										
Food (mil. bu.)	592	596	614	145	94	197	167	154	96	203
Feed and seed (mil. bu.) ⁴	245	187	162	63	36	85	30	21	25	212
Exports (mil. bu.)	1,194	1,375	1,510	283	193	518	371	400	220	622

¹ Beginning June 1 for wheat and August 1 for rice. ² Ordinary protein. ³ Long-grain, milled basis. ⁴ Feed use approximated by residual.

Cotton

	Marketing year ¹			1980	1981					
	1978/79	1979/80	1980/81	Oct	May	June	July	Aug	Sept	Oct
U.S. price, SLM, 1-1/16 in. (cts./lb.) ²	61.6	71.5	83.0	85.8	78.5	78.1	75.1	66.4	60.8	60.6
Northern Europe prices:										
Index (cts./lb.) ³	n.a.	n.a.	93.3	98.3	86.8	86.4	83.5	80.7	77.0	75.0
U.S. M 1-3/32" (cts./lb.) ⁴	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	81.9	77.6	75.8
U.S. mill consumption (thou. bales)	6,434.8	6,463.0	5,870.5	618.1	460.0	554.2	402.2	446.5	543.2	—
Exports (thou. bales)	6,180.2	9,228.9	5,925.8	248.4	482.6	337.2	278.2	244.3	221.3	—

¹ Beginning August 1. ² Average spot market. ³ Liverpool Outlook "A" index; average of five lowest priced of 10 selected growths. ⁴ Memphis territory growths. n.a. = not available.

Coffee

	Annual			1980	1981					
	1978	1979	1980 p	Oct	May	June	July p	Aug p	Sept p	Oct p
Composite green price, N.Y. (cts./lb.)	155.15	169.50	157.78	130.32	122.33	107.69	113.76	119.31	112.53	123.65
Imports, green bean equivalent (mil. lb.) ¹	2,448	2,656	2,466	176	184	137	128	*162	*162	204
	Annual			1980	1981					
	1978	1979	1980 p	Apr-June	July-Sept	Oct-Dec	Jan-Mar	Apr-June	July-Sept	Oct-Dec p
Roastings (mil. lb.) ²	2,156	2,249	2,255	532	511	644	627	*524	*490	*650

¹ Green and Processed coffee. ² Instant soluble and roasted coffee. p Preliminary. * Forecast.

Vegetables

	Annual			1980	1981					
	1978	1979	1980	Oct	May	June	July	Aug	Sept	Oct
Wholesale prices:										
Potatoes, white, f.o.b. East (\$/cwt.)	5.20	4.54	6.32	9.24	11.35	13.06	6.40	7.34	6.75	6.29
Iceberg lettuce (\$/cwt.) ¹	5.10	5.10	4.25	4.22	5.52	4.36	6.95	6.32	5.90	4.34
Tomatoes (\$/cwt.) ²	6.65	7.86	7.57	8.54	5.53	6.26	7.55	6.20	5.90	7.29
Wholesale Price Index, 10 canned veg (1967=100)	175	191	200	199	236	236	239	240	242	241
Grower price index, fresh commercial veg. (1977=100)	106	109	110	105	132	116	133	127	114	110

¹ Std. carton 24's f.o.b. shipping point. ² 5 x 6-6 x 6, f.o.b. Fla-Cal.

Sugar

	Annual			1980	1981					
	1978	1979	1980	Oct	May	June	July	Aug	Sept	Oct
U.S. raw sugar price, N.Y. (cts./lb.) ¹	13.93	15.56	30.11	41.69	17.43	18.95	19.09	17.42	15.49	15.66
U.S. deliveries (thou. short tons) ^{2,3}	10,849	10,714	10,149	831	*814	*914	*877	*853	*985	*826

¹ Spot price reported by N.Y. Coffee and Sugar Exchange. Reporting resumed in mid August 1979 after being suspended November 3, 1977. ² Raw value. ³ Excludes Hawaii. ⁴ Preliminary.

Tobacco

	Annual			1980	1981					
	1978	1979	1980 ¹	Oct	May	June	July	Aug	Sept	Oct
Prices at auctions:										
Flue-cured (cts./lb.) ²	135.0	140.0	144.5	145.5	—	—	156.5	163.5	172.0	166.5
Burley (cts./lb.) ³	131.0	145.2	165.9	—	—	—	—	—	—	—
Domestic consumption ⁴										
Cigarettes (bil.)	614.3	614.0	620.5	62.1	50.7	56.5	51.1	58.7	n.a.	n.a.
Large cigars (mil.)	4,701	4,298	3,994	403.3	337.4	387.9	287.7	319.8	n.a.	n.a.

¹ Subject to revision. ² Crop year July-June for flue-cured, October-September for burley. ³ Taxable removals. n.a. = not available.

Supply and Utilization: Crops

Supply and Utilization: Domestic Measure¹

	Area		Yield	Production	Total Supply ²	Feed and Residual	Other domestic use	Exports	Total use	Ending stocks	Farm price ³
	Planted	Harvested									
	Mil. acres		Bu./acre				Mil. bu.				\$/bu.
Wheat:											
1976/77	80.4	70.9	30.3	2,149	2,817	74	680	950	1,704	1,113	2.73
1977/78	75.4	66.7	30.7	2,046	3,161	193	667	1,124	1,983	1,178	2.33
1978/79	66.0	56.5	31.4	1,776	2,956	158	679	1,194	2,031	924	2.97
1979/80	71.4	62.5	34.2	2,134	3,060	86	697	1,375	2,158	902	3.78
1980/81*	80.4	70.9	33.4	2,370	3,274	48	728	1,510	2,286	988	3.96
1981/82*	88.8	80.7	34.1	2,750	3,740	200	732	1,900	2,832	908	3.80-3.95
	Mil. acres		lb./acre				Mil. cwt. (rough equiv.)				c/lb.
Rice:											
1976/77	2.49	2.48	4,663	115.6	152.6	73.8	42.7	65.6	108.3	40.5	7.02
1977/78	2.26	2.25	4,412	99.2	139.8	71.9	37.7	72.8	110.5	27.4	9.49
1978/79	2.99	2.97	4,484	133.2	160.7	74.2	49.2	75.7	124.9	31.6	8.16
1979/80	2.89	2.87	4,599	131.9	163.6	76.1	49.2	82.6	131.8	25.7	10.50
1980/81*	3.36	3.30	4,403	145.1	171.0	78.6	54.5	91.4	145.9	16.5	12.00
1981/82*	3.77	3.73	4,891	182.6	199.2	73.5	56.5	79.0	135.5	60.2	9.00-10.50
	Mil. acres		Bu./acre				Mil. bu.				\$/bu.
Corn:											
1976/77	84.6	71.5	88.0	6,289	6,691	3,571	550	1,684	5,805	886	2.15
1977/78	84.3	71.6	90.8	6,505	7,394	3,745	590	1,948	6,283	1,111	2.02
1978/79	81.7	71.9	101.0	7,268	8,380	4,323	620	2,133	7,076	1,304	2.25
1979/80	81.4	72.4	109.7	7,939	9,244	4,519	675	2,433	7,627	1,617	2.52
1980/81*	84.1	73.1	91.0	6,648	8,266	4,142	735	2,355	7,232	1,034	3.10
1981/82*	84.3	74.1	109.2	8,097	9,132	4,250	800	2,450	7,500	1,632	2.55-2.80
	Mil. acres		Bu./acre				Mil. bu.				\$/bu.
Sorghum:											
1976/77	18.1	14.5	49.1	711	762	414	11	246	671	91	2.03
1977/78	16.6	13.8	56.6	781	872	456	11	214	681	191	1.82
1978/79	16.2	13.4	54.5	731	922	544	11	207	762	160	2.01
1979/80	15.3	12.9	62.7	809	969	484	13	325	822	147	2.34
1980/81*	15.9	12.7	46.2	588	735	310	11	305	626	109	2.95
1981/82*	16.1	13.6	64.2	876	985	450	11	300	761	224 ^b	2.35-2.55
	Mil. acres		Bu./acre				Mil. bu.				\$/bu.
Barley:											
1976/77	9.3	8.4	45.4	383	522	175	155	66	396	126	2.25
1977/78	10.8	9.7	44.0	428	564	178	156	57	391	173	1.78
1978/79	10.0	9.2	49.2	455	638	217	167	26	410	228	1.92
1979/80	8.1	7.5	50.9	383	623	204	172	55	431	192	2.29
1980/81*	8.3	7.2	49.6	359	561	176	172	77	425	136	2.91
1981/82*	9.8	9.1	52.5	476	622	200	175	100	475	147	2.45-2.60
	Mil. acres		Bu./acre				Mil. bu.				\$/bu.
Oats:											
1976/77	16.6	11.8	45.7	540	747	485	88	10	583	164	1.56
1977/78	17.7	13.5	55.8	753	919	509	85	12	606	313	1.10
1978/79	16.4	11.1	52.3	582	896	526	77	13	616	280	1.20
1979/80	14.0	9.7	54.4	527	808	492	76	4	572	236	1.36
1980/81*	13.4	8.6	53.0	458	695	431	74	13	518	177	1.82
1981/82*	13.6	9.7	52.8	509	687	435	75	10	520	167	1.80-1.90
	Mil. acres		Bu./acre				Mil. bu.				\$/bu.
Soybeans:											
1976/77	50.3	49.4	26.1	1,289	1,534	77	790	564	1,431	103	6.81
1977/78	59.0	57.8	30.6	1,767	1,870	82	927	700	1,709	161	5.88
1978/79	64.7	63.7	29.4	1,869	2,030	99	1,018	739	1,856	174	6.66
1979/80	71.6	70.6	32.1	2,268	2,442	86	1,123	875	2,083	359	6.28
1980/81*	70.1	67.9	26.4	1,792	2,151	87	1,020	724	1,831	320	7.61
1981/82*	68.1	66.9	31.0	2,077	2,397	87	1,075	830	1,992	405	5.75-6.75
							Mil. lbs.				c/lb.
Soybean oil:											
1976/77	—	—	—	8,578	9,829	—	7,511	1,547	9,058	771	24.0
1977/78	—	—	—	10,288	11,059	—	8,273	2,057	10,330	729	24.5
1978/79	—	—	—	11,323	12,052	—	8,942	2,334	11,276	776	27.1
1979/80	—	—	—	12,105	12,881	—	8,981	2,690	11,671	1,210	24.3
1980/81*	—	—	—	11,270	12,480	—	9,110	1,629	10,739	1,741	22.7
1981/82*	—	—	—	11,719	13,460	—	9,450	2,200	11,650	1,810	20.0-24.0
							Thou. tons				\$/ton
Soybean meal:											
1976/77	—	—	—	18,488	18,843	—	14,056	4,559	18,615	228	199.8
1977/78	—	—	—	22,371	22,599	—	16,276	6,080	22,356	243	163.6
1978/79	—	—	—	24,354	24,597	—	17,720	6,610	24,330	267	190.1
1979/80	—	—	—	27,105	27,372	—	19,214	7,932	27,146	226	181.9
1980/81*	—	—	—	24,314	24,540	—	17,600	6,777	24,377	163	218.2
1981/82*	—	—	—	25,587	25,750	—	18,300	7,200	25,500	250	170-195

See footnotes at end of table.

Supply and Utilization—Domestic Measure, Continued

	Area		Yield	Production	Total Supply ²	Feed and Residual	Other domestic use	Exports	Total use	Ending stocks	Farm price ³
	Planted	Harvested									
	Mil. acres		lb/acre								c/lb
Cotton:											
1976/77	11.6	10.9	465	10.6	14.3	—	6.7	4.8	11.5	2.9	64.1
1977/78	13.7	13.3	520	14.4	17.3	—	6.5	5.5	12.0	5.3	52.3
1978/79	13.4	12.4	420	10.9	16.2	—	6.4	6.2	12.5	4.0	58.4
1979/80	14.0	12.8	547	14.6	18.6	—	6.5	9.2	15.7	3.0	63.4
1980/81*	14.5	13.2	404	11.1	14.1	—	5.9	6.9	11.8	2.7	76.4
1981/82*	14.3	13.7	543	15.6	18.2	—	6.0	7.0	13.0	5.4	—

Supply and Utilization—Metric Measure⁴

	Mil. hectares		Metric tons/ha			Mil. metric tons					\$/metric ton
Wheat:											
1976/77	32.5	28.7	2.04	58.5	76.7	2.1	18.5	25.8	46.4	30.3	100
1977/78	30.5	27.0	2.06	55.6	86.0	5.2	18.1	30.6	53.9	32.1	86
1978/79	26.7	22.9	2.11	48.3	80.4	4.3	18.5	32.5	55.3	25.1	109
1979/80	28.9	25.3	2.30	58.1	83.3	2.3	19.0	37.4	58.7	24.6	139
1980/81*	32.5	28.7	2.25	64.5	89.1	1.3	19.8	41.1	62.2	26.9	146
1981/82*	35.9	32.7	2.29	74.8	101.8	5.5	19.9	51.7	77.1	24.7	140-145
Mil. metric tons (rough equiv.)											
Rice:											
1976/77	1.0	1.0	5.23	5.2	6.9	0.2	1.9	3.0	4.9	1.8	155
1977/78	.9	.9	4.94	4.5	6.3	0.1	1.7	3.3	5.0	1.2	209
1978/79	1.2	1.2	5.03	6.0	7.3	0.2	2.3	3.4	5.7	1.4	180
1979/80	1.2	1.2	5.15	6.0	7.4	0.3	2.2	3.7	5.9	1.2	231
1980/81*	1.4	1.3	4.93	6.6	7.8	0.4	2.5	4.1	6.6	0.8	265
1981/82*	1.5	1.5	5.48	8.3	9.0	0.1	2.6	3.6	6.2	2.7	198-231
Mil. metric tons											
Corn:											
1976/77	34.2	28.9	5.52	159.7	170.0	90.7	14.0	42.8	147.5	22.5	85
1977/78	34.1	29.0	5.70	165.2	187.8	95.1	15.0	49.5	159.6	28.2	80
1978/79	33.1	29.1	6.34	184.6	212.9	109.8	15.7	54.2	179.7	33.1	89
1979/80	32.9	29.3	6.88	201.6	234.8	114.8	17.1	61.8	193.7	41.1	99
1980/81*	34.0	29.6	5.71	168.9	210.0	105.2	18.7	69.8	183.7	26.3	122
1981/82*	34.1	30.0	6.85	205.7	232.0	108.0	20.3	62.2	190.5	41.4	100-110
Feed Grain:											
1976/77	52.1	43.0	4.51	194.0	211.5	112.1	18.9	50.6	181.6	29.9	—
1977/78	52.4	43.9	4.68	205.3	235.5	117.9	19.9	56.3	194.1	41.4	—
1978/79	50.3	42.7	5.19	221.5	263.2	135.9	20.9	60.2	217.0	46.2	—
1979/80	48.1	41.5	5.74	238.2	284.7	138.7	22.3	71.3	232.3	52.4	—
1980/81*	49.3	41.1	4.82	198.2	250.9	123.1	23.8	69.4	216.3	34.6	—
1981/82*	50.1	43.1	5.70	245.7	280.5	130.0	25.5	72.2	227.7	52.8	—
Soybeans:											
1976/77	20.4	20.0	1.76	35.1	41.7	2.1	21.5	15.3	38.9	2.8	250
1977/78	23.9	23.4	2.06	48.1	50.9	2.2	25.2	19.1	46.5	4.4	216
1978/79	26.2	25.8	1.98	50.9	55.3	2.8	27.7	20.1	50.6	4.7	245
1979/80	29.0	28.6	2.16	61.7	66.4	2.4	30.6	23.8	56.8	9.8	231
1980/81*	28.4	27.5	1.78	48.8	58.5	2.5	27.8	19.7	50.0	8.7	277
1981/82*	27.7	27.1	2.12	56.5	65.2	2.5	29.2	22.6	54.3	11.0	211-248
Soybean oil:											
1976/77	—	—	—	3.89	4.46	—	3.41	.70	4.11	.35	529
1977/78	—	—	—	4.67	5.02	—	3.75	.93	4.69	.33	542
1978/79	—	—	—	5.14	5.47	—	4.06	1.06	5.12	.35	604
1979/80	—	—	—	5.49	5.84	—	4.07	1.22	5.29	.55	536
1980/81*	—	—	—	5.11	5.61	—	4.13	.74	4.87	.79	507
1981/82*	—	—	—	5.32	6.21	—	4.29	1.00	6.29	.82	419-507
Soybean meal:											
1976/77	—	—	—	16.77	17.09	—	12.75	4.14	16.89	.21	220
1977/78	—	—	—	20.29	20.50	—	14.77	5.52	20.28	.22	181
1978/79	—	—	—	22.09	22.31	—	16.08	6.00	22.07	.24	210
1979/80	—	—	—	24.59	24.83	—	17.43	7.20	24.63	.20	201
1980/81*	—	—	—	22.06	22.26	—	15.96	6.15	22.11	.15	243
1981/82*	—	—	—	23.21	23.54	—	16.60	6.53	23.13	.23	187-215

\$/kg

Cotton:											
1976/77	4.7	4.4	.52	2.31	3.11	—	1.46	1.06	2.50	.63	1.41
1977/78	5.5	5.4	.58	3.14	3.77	—	1.42	1.20	2.61	1.15	1.15
1978/79	5.4	5.0	.47	2.36	3.53	—	1.39	1.35	2.72	.87	1.29
1979/80	5.7	5.2	.61	3.19	4.05	—	1.42	2.00	3.42	.65	1.40
1980/81*	5.9	5.3	.45	2.42	3.09	—	1.28	1.28	2.59	.59	—
1981/82*	5.8	5.6	.61	3.39	3.98	—	1.31	1.52	2.83	1.18	—

*November 13, 1981 Supply and Demand Estimates. ¹Marketing year beginning June 1 for wheat, barley, and oats, August 1 for cotton and rice, September 1 for soybeans, and October 1 for corn, sorghum, soybean meal, and soybean oil. ²Includes imports. ³Season average. ⁴Includes seed. ⁵Upland and extra long staple. Stock estimates based on Census Bureau data which results in an unaccounted difference between supply and use estimates and changes in ending stocks. ⁶Conversion factors: Hectare (ha.) = 2.471 acres, 1 metric ton = 2204.622 pounds, 36.7437 bushels of wheat or soybeans, 39.3679 bushels of corn or sorghum, 49.9296 bushels of barley, 69.8944 bushels of oats, 22.046 cwt. of rice, and 4.59 480-pound bales of cotton. ⁷Statistical discrepancy.

General Economic Data

Gross national product and related data

	Annual			1979					1980				1981		
	1978	1979	1980	IV	I	II	III	IV	I	II	III	IV	I	II	III
\$ Bil. (Quarterly data seasonally adjusted at annual rates)															
Gross national product ¹	2,156.1	2,413.9	2,626.1	2,496.3	2,571.7	2,564.8	2,637.3	2,730.6	2,853.0	2,885.8	2,956.6				
Personal consumption expenditures	1,348.7	1,510.9	1,672.8	1,582.3	1,631.0	1,626.8	1,682.2	1,751.0	1,810.1	1,829.1	1,887.2				
Durable goods	199.3	212.3	211.9	216.1	220.9	194.4	208.8	223.3	238.3	227.3	237.9				
Nondurable goods	529.8	602.2	675.7	639.2	661.1	664.0	674.2	703.5	726.0	735.3	750.5				
Clothing and shoes	91.9	98.9	104.8	102.5	102.2	102.3	105.3	109.4	113.4	115.8	117.5				
Food and beverages	276.4	312.1	345.7	329.0	336.2	338.4	347.7	360.4	372.5	377.8	386.2				
Services	619.6	696.3	785.2	727.0	749.0	768.4	799.2	824.2	845.8	866.5	898.8				
Gross private domestic investment	375.3	415.8	395.3	410.0	415.6	390.9	377.1	397.7	437.1	458.6	459.1				
Fixed investment	353.2	398.3	401.2	410.8	413.1	383.5	393.2	415.1	432.7	435.3	434.8				
Nonresidential	242.0	279.7	296.0	290.2	297.8	289.8	294.0	302.1	315.9	324.6	333.2				
Residential	111.2	118.6	105.3	120.6	115.2	93.6	99.2	113.0	116.7	110.7	101.6				
Change in business inventories	22.2	17.5	-5.9	-8	2.5	7.4	-16.0	-17.4	4.5	23.3	24.3				
Net exports of goods and services	-6	13.4	23.3	7.6	8.2	17.1	44.5	23.3	29.2	20.8	22.0				
Exports	219.8	281.3	339.8	306.3	337.3	333.3	342.4	346.1	367.4	368.2	364.1				
Imports	220.4	267.9	316.5	298.7	329.1	316.2	297.9	322.7	338.2	347.5	342.1				
Government purchases of goods and services	432.6	473.8	534.7	496.4	516.8	530.0	533.5	558.6	576.5	577.4	588.3				
Federal	153.4	167.9	198.9	178.1	190.0	198.7	194.9	212.0	221.6	219.5	226.0				
State and local	279.2	305.9	335.8	318.3	326.8	331.3	338.6	346.6	354.9	357.9	362.3				
1972 \$ Bil. (Quarterly data seasonally adjusted at annual rates)															
Gross national product	1,436.9	1,483.0	1,480.7	1,490.6	1,501.9	1,463.3	1,471.9	1,485.6	1,516.4	1,510.4	1,512.8				
Personal consumption expenditures	904.8	930.9	935.1	941.6	943.4	919.3	930.8	946.8	960.2	955.1	964.6				
Durable goods	146.3	146.6	135.8	146.0	145.4	126.2	132.6	139.1	146.8	137.4	141.2				
Nondurable goods	345.7	354.6	358.4	361.3	361.5	356.6	354.9	360.4	364.5	367.0	368.5				
Clothing and shoes	73.3	76.6	78.0	78.4	76.9	76.7	78.3	80.1	82.8	84.0	84.2				
Food and beverages	172.5	176.7	181.5	181.3	183.6	182.2	180.1	179.9	182.9	185.0	185.0				
Services	412.8	429.6	440.9	434.3	436.5	436.5	443.3	447.3	448.9	450.7	454.8				
Gross private domestic investment	229.7	232.6	203.6	221.5	218.3	200.5	195.3	200.5	211.6	219.7	220.0				
Fixed investment	215.8	222.5	206.6	222.2	219.2	199.2	200.2	207.6	213.1	208.9	206.1				
Nonresidential	153.4	163.3	158.4	164.1	165.0	156.1	155.5	157.0	162.0	161.1	162.8				
Residential	62.4	59.1	48.1	58.1	54.2	43.1	44.7	50.6	51.0	47.8	43.3				
Change in business inventories	14.0	10.2	-2.9	-7	-9	1.3	-5.0	-7.2	-1.4	10.8	14.0				
Net exports of goods and services	24.6	37.7	52.0	42.2	50.1	51.7	57.6	48.5	50.9	46.2	39.8				
Exports	127.5	146.9	161.1	154.8	165.9	160.5	160.5	157.4	162.5	161.5	158.2				
Imports	103.0	109.2	109.1	112.6	115.8	108.9	102.8	108.9	111.6	115.4	118.4				
Government purchases of goods and services	277.8	281.8	290.0	285.3	290.1	291.9	288.2	289.8	293.6	289.5	288.4				
Federal	99.8	101.7	108.1	103.1	107.6	110.7	106.9	107.4	111.2	108.7	109.7				
State and local	178.0	180.1	181.9	182.2	182.5	181.2	181.3	182.4	182.5	180.7	178.7				
New plant and equipment expenditures (\$bil.)	231.24	270.46	295.63	284.30	291.89	294.36	296.23	299.58	312.24	316.73	322.96				
Implicit price deflator for GNP (1972=100)	150.05	162.77	177.36	167.47	171.23	175.28	179.18	183.81	188.14	191.06	195.44				
Disposable income (\$bil.)	1,462.9	1,641.7	1,821.7	1,710.1	1,765.1	1,784.1	1,840.6	1,897.0	1,947.8	1,985.6	2,041.7				
Disposable income (1972 \$bil.)	981.5	1,011.5	1,018.4	1,017.7	1,021.0	1,008.2	1,018.5	1,025.8	1,033.3	1,036.8	1,043.6				
Per capita disposable income (\$)	6,571	7,293	8,002	7,563	7,785	7,848	8,074	8,299	8,504	8,651	8,872				
Per capita disposable income (1972 \$)	4,409	4,493	4,473	4,501	4,503	4,435	4,468	4,488	4,511	4,517	4,534				
U.S. population, tot., incl. military abroad (mil.)*	222.6	225.1	227.7	226.1	226.7	227.3	228.0	228.6	229.0	230.1	230.1				
Civilian population (mil.)*	220.5	223.0	225.6	224.0	224.6	225.2	225.9	226.5	226.9	227.4	228.0				

See footnotes at end of next table.

Selected monthly indicators

	Annual			1980		1981				
	1978	1979	1980 p	Oct	May	June	July	Aug	Sept	Oct p
Monthly data seasonally adjusted except as noted										
Industrial Production, total ¹ (1967=100)	146.1	152.5	147.0	146.6	152.7	152.9	153.9	153.6	151.8	149.5
Manufacturing (1967=100)	146.8	153.6	146.7	146.5	152.8	152.4	153.2	153.1	151.2	148.7
Durable (1967=100)	139.7	146.4	136.7	135.7	143.5	143.2	143.6	143.3	140.9	138.2
Nondurable (1967=100)	156.9	164.0	161.2	162.1	166.4	165.8	167.1	167.4	166.1	163.9
Leading economic indicators ¹ (1967=100)	141.8	140.1	131.2	135.0	135.2	134.1	134.1	133.3	130.4	128.1
Employment ² (Mil. persons)	94.4	96.9	97.3	97.2	99.2	98.4	99.0	98.9	98.3	98.2
Unemployment rate ³ (%)	6.0	5.8	7.1	7.6	7.6	7.3	7.0	7.2	7.5	8.0
Personal income ⁴ (\$ bil. annual rate)	1,721.8	1,943.8	2,160.2	2,234.3	2,367.4	2,384.3	2,418.8	2,444.2	2,462.4	2,476.7
Hourly earnings in manufacturing ⁵ (\$)	6.17	6.69	7.27	7.49	7.92	7.97	8.02	8.02	8.14	8.14
Money stock (daily average) ⁶ (\$ bil.)	7364.2	7390.5	7415.5	416.3	431.5	428.8	430.1	432.7	431.7	433.1
Time and savings deposits (daily average) (\$ bil.)	71,202.8	71,288.9	71,406.6	1,369.5	1,436.7	1,449.0	1,450.7	1,459.3	1,463.9	1,469.3
Three-month Treasury bill rate ⁷ (%)	7.221	10.041	11.506	11.580	16.295	14.557	14.699	15.612	14.951	13.873
Aaa corporate bond yield (Moody's) ⁸ (%)	8.73	9.63	11.94	12.31	14.32	13.75	14.38	14.89	15.49	15.40
Interest rate on new home mortgages ⁹ (%)	9.54	10.77	12.65	12.61	14.10	14.67	14.72	15.27	15.29	15.65
Housing starts, private (including farm) (thou.)	2,020.3	1,745.1	1,292.0	1,519	1,158	1,039	1,047	941	920	857
Auto sales at retail, total ¹ (mil.)	11.3	10.6	9.0	9.2	7.9	7.5	8.2	10.4	8.7	7.2
Business sales, total ¹ (\$ bil.)	258.7	294.7	320.5	327.8	349.2	354.4	354.8	352.8	354.2	—
Business inventories, total ¹ (\$ bil.)	395.2	444.2	475.2	471.5	490.3	494.2	498.1	502.5	507.2	—
Sales of all retail stores (\$ bil.) ¹⁰	66.9	74.3	79.5	81.6	85.5	87.4	87.4	88.6	88.5 p	87.2
Durable goods stores (\$ bil.)	23.2	25.3	24.8	25.3	26.5	27.5	27.8	28.4	28.4 p	26.8
Nondurable goods stores (\$ bil.)	43.6	49.1	54.7	56.3	59.0	59.9	59.6	60.2	60.1 p	60.3
Food stores (\$ bil.)	14.5	16.3	18.1	18.6	19.5	19.9	19.9	20.3	20.1 p	20.3
Eating and drinking places (\$ bil.)	5.9	6.6	7.2	7.4	7.9	7.9	7.8	7.8	8.0 p	7.9
Apparel and accessory stores (\$ bil.)	3.3	3.5	3.7	3.8	3.9	4.0	4.0	4.1	4.1 p	4.1

¹ Department of Commerce. ² Board of Governors of the Federal Reserve System. ³ MI-B. ⁴ Composite index of 12 leading indicators. ⁵ Department of Labor, Bureau of Labor Statistics. ⁶ Not seasonally adjusted. ⁷ December of the year listed. ⁸ Moody's Investors Service. ⁹ Federal Home Loan Board. ¹⁰ Adjusted for seasonal variations, holidays, and trading day differences. p Preliminary. * Data revised to reflect the results of the 1980 census count.

U.S. Agricultural Trade

U. S. agricultural exports

	October-September				September			
	1979/80	1980/81	1979/80	1980/81	1980	1981	1980	1981
	Thou. units		\$ Thou.		Thou. units		\$ Thou.	
Animals, live, excluding Poultry	—	—	155,126	192,126	—	—	19,509	20,101
Meat and preps., excluding poultry (mt)	414	436	870,703	987,863	32	33	68,995	69,012
Dairy products, excluding eggs	—	—	156,308	246,083	—	—	18,833	24,656
Poultry and poultry products	—	—	546,487	765,233	—	—	48,312	54,722
Grains and Preparations	—	—	17,168,313	20,309,530	—	—	1,654,832	1,674,673
Wheat and wheat flour (mt)	36,947	43,195	6,554,789	7,964,795	3,813	5,334	676,946	895,203
Rice, milled (mt)	2,246	1,758	939,007	924,916	177	165	79,315	87,180
Feed grains, excluding products (mt)	71,159	69,004	9,102,181	10,402,481	5,793	4,851	826,249	639,338
Other	—	—	572,336	1,017,338	—	—	72,322	52,952
Fruits, nuts, and preparations	—	—	2,086,584	2,111,932	—	—	179,823	186,015
Vegetables and preparations	—	—	954,291	1,445,698	—	—	79,713	103,543
Sugar & preps., including honey	—	—	289,768	720,599	—	—	32,182	46,666
Coffee, tea, cocoa, spices, etc. (mt)	48	52	175,773	231,512	4	5	18,041	18,788
Feeds and fodders	—	—	2,810,276	2,728,204	—	—	239,780	141,705
Protein meal (mt)	7,599	6,590	1,717,514	1,669,549	542	301	132,971	69,383
Beverages excl. distilled alcohol (Lit.)	101,746	107,259	44,810	53,581	18,330	6,340	8,303	2,963
Tobacco, unmanufactured (mt)	283	252	1,348,549	1,338,529	15	21	75,710	129,853
Hides, skins, and furskins	—	—	1,115,810	1,002,019	—	—	54,445	55,694
Oilseeds	—	—	6,793,761	6,487,639	—	—	358,320	393,099
Soybeans (mt)	23,833	19,872	6,163,625	5,986,159	1,127	1,386	313,099	376,784
Wool, unmanufactured (mt)	3	3	28,525	31,541	(¹)	(¹)	1,506	3,065
Cotton, unmanufactured (mt)	2,047	1,264	3,033,278	2,247,509	94	51	151,478	82,830
Fats, oils, and greases (mt)	1,554	1,550	784,366	756,195	122	122	59,203	58,212
Vegetable oils and waxes (mt)	1,854	1,617	1,244,285	1,095,261	146	113	100,153	69,548
Rubber and allied gums (mt)	18	14	24,750	27,249	2	2	2,427	3,210
Other	—	—	849,832	1,010,165	—	—	64,609	64,721
Total	—	—	40,481,395	43,788,468	—	—	3,236,174	3,203,076

¹ Less than 500,000.

U.S. agricultural exports by regions

Region and country ¹	October-September		September		Change from Year earlier	
	1979/80	1980/81	1980	1981	October-September	September
	in \$ Mil.					
	PCT					
Western Europe	12,033	11,286	777	777	-6	-
European Community (EC-9)	9,196	8,546	609	575	-7 ¹	-6
Other Western Europe	2,838	2,740	168	203	-3	+21
Greece	273	212	19	8	-22	-58
Portugal	593	764	46	45	+29	-2
Spain	1,233	1,054	45	94	-15	+109
Eastern Europe	2,282	1,940	147	97	-15	-34
German Dem. Rep.	493	344	23	8	-30	-65
Poland	638	700	21	40	+10	+90
Romania	468	435	33	21	-7	-36
U.S.S.R.	1,414	1,573	2	194	+11	+9,600
Asia	14,129	15,965	1,225	1,186	+13	-3
West Asia	1,320	1,720	103	154	+30	+50
Iran	52	182	0	30	+250	+100
Iraq	266	148	6	7	-44	+17
Israel	296	365	27	33	+23	+22
Saudi Arabia	346	491	36	40	+42	+11
South Asia	796	598	65	134	-25	+106
India	367	324	15	101	-12	+573
Pakistan	161	147	21	15	-9	-29
East and Southeast Asia	12,014	13,647	1,056	899	+14	-15
China, Mainland	1,937	2,118	199	141	+9	-29
Hong Kong	443	388	22	25	-12	+14
Indonesia	451	382	48	24	-15	-50
Japan	5,749	6,706	488	445	+17	-9
Korea	1,618	2,136	144	125	+32	-13
Philippines	317	338	32	25	+7	-22
Taiwan	1,109	1,105	92	72	-	-22
Africa	2,181	2,792	209	206	+28	-1
North Africa	1,172	1,472	105	108	+26	+3
Algeria	185	265	1	19	+43	+1,800
Egypt	736	950	63	46	+29	-27
Other Africa	1,010	1,321	105	98	+31	-7
Nigeria	332	491	18	47	+48	+161
Latin America and Caribbean	5,479	6,869	563	435	+26	-23
Brazil	698	843	70	70	+20	-
Caribbean	711	808	67	65	+14	-3
Central America	385	373	33	20	-3	-39
Chile	261	346	27	17	+33	-37
Mexico	2,003	2,732	228	142	+36	-38
Peru	256	430	41	15	+68	-63
Venezuela	616	898	55	63	+46	+15
Canada, excl. transshipments	1,750	2,022	165	164	+16	-1
Canadian transshipments	1,025	1,132	135	122	+10	-10
Oceania	189	208	13	22	+10	+69
Total ²	40,481	43,788	3,236	3,203	+8	-1

¹ Not adjusted for transshipments. ² Less than \$500,000. ³ Regions may not add to totals due to rounding.

Trade balance

	October-September		September	
	1979/80	1980/81	1980	1981
	in \$ Mil.			
Agricultural exports	40,481	43,788	3,236	3,203
Nonagricultural exports	169,805	185,440	14,298	15,174
Total exports ¹	210,286	229,228	17,534	18,377
Agricultural imports	17,275	17,218	1,238	1,279
Nonagricultural imports	222,456	238,318	18,212	19,406
Total imports ²	239,731	255,536	19,450	20,685
Agricultural trade balance	23,206	26,570	1,998	1,924
Nonagricultural trade balance	-52,651	-52,878	-3,914	-4,232
Total trade balance	-29,445	-26,308	-1,916	-2,308

¹ Domestic exports including Department of Defense shipments (F.A.S. value). ² Imports for consumption (customs value).

Prices of principal U.S. agricultural trade products

	Annual			1980		1981				
	1978	1979	1980	Oct	May	June	July	Aug	Sept	Oct
Export commodities:										
Wheat, f.o.b. vessel, Gulf ports (\$/bu.)	3.56	4.45	4.78	5.23	4.77	4.63	4.62	4.68	4.72	4.64
Corn, f.o.b. vessel, Gulf ports (\$/bu.)	2.66	3.01	3.28	3.67	3.63	3.52	3.57	3.38	3.10	2.96
Grain sorghum, f.o.b. vessel, Gulf ports (\$/bu.)	2.48	2.85	3.38	3.70	3.49	3.24	3.27	3.12	2.89	2.85
Soybeans, f.o.b. vessel, Gulf ports (\$/bu.)	7.04	7.59	7.39	8.49	7.92	7.44	7.64	7.25	7.01	6.74
Soybean oil, Decatur (cts./lb.)	25.79	27.59	23.63	24.49	21.14	21.27	22.68	20.41	19.14	19.38
Soybean meal, Decatur (\$/ton)	170.71	191.08	196.47	243.34	222.50	200.32	204.89	200.36	189.60	180.48
Cotton, 10 market avg. spot (cts./lb.)	58.31	61.81	81.13	85.58	78.46	78.10	75.07	66.44	60.81	60.63
Tobacco, avg. price of auction (cts./lb.)	121.88	132.15	142.29	155.20	149.96	149.96	157.44	162.04	166.98	161.46
Rice, f.o.b. mill, Houston (\$/cwt.)	20.61	20.25	21.89	23.10	27.99	27.40	26.99	25.00	24.85	23.50
Inedible tallow, Chicago (cts./lb.)	19.74	23.45	18.52	17.50	16.55	16.00	15.19	15.00	14.50	15.56
Import commodities:										
Coffee, N.Y. spot (\$/lb.)	1.66	1.74	1.64	1.32	1.26	1.17	1.23	1.29	1.14	1.29
Sugar, N.Y. spot (cts./lb.)	13.92	15.61	30.10	41.69	17.43	19.00	19.10	17.42	15.49	15.66
Cow meat, f.o.b. port of entry (cts./lb.)	97.17	130.98	125.18	129.83	112.95	110.48	109.50	111.50	112.30	n.a.
Rubber, N.Y. spot (cts./lb.)	50.19	64.57	73.80	80.20	59.08	58.46	55.43	63.72	50.19	46.47
Cocoa beans, N.Y. (\$/lb.)	1.53	1.44	1.14	1.01	.83	.70	.86	.97	1.01	.95
Bananas, f.o.b. port of entry (\$/40-lb. box)	5.20	5.91	6.89	n.a.	8.16	7.04	5.98	5.54	7.89	7.06

n.a. = not available.

U.S. agricultural imports.

	October-September				September			
	1979/80	1980/81	1979/80	1980/81	1980	1981	1980	1981
	Thou. units		\$ Thou.		Thou. units		\$ Thou.	
Live animals, excluding poultry	—	—	466,901	338,687	—	—	32,590	26,760
Meat and preparations, excl. poultry (mt)	912	905	2,277,476	2,221,953	60	81	151,746	183,965
Beef and veal (mt)	695	669	1,752,163	1,621,305	44	64	111,158	140,272
Pork (mt)	187	201	454,364	508,837	14	13	35,705	32,228
Dairy products, excluding eggs	—	—	461,539	523,771	—	—	40,906	44,282
Poultry and poultry products	—	—	70,372	95,202	—	—	5,301	7,643
Grains and preparations	—	—	271,268	309,573	—	—	26,213	27,519
Wheat and flour (mt)	3	6	617	2,823	(¹)	(¹)	52	88
Rice (mt)	3	7	1,919	4,411	1	1	478	437
Feed grains (mt)	191	149	30,576	28,173	18	9	3,347	1,391
Other	—	—	238,138	274,157	—	—	22,334	25,603
Fruits, nuts, and preparations	—	—	1,229,996	1,467,901	—	—	102,962	109,272
Bananas, Fresh (mt)	2,333	2,442	406,989	501,275	233	193	39,635	41,884
Vegetables and preparations	—	—	852,362	1,026,916	—	—	42,465	46,557
Sugar and preparations, incl. honey	—	—	1,843,077	2,416,869	—	—	188,939	195,591
Sugar, cane or beet (mt)	3,920	3,746	1,619,379	2,169,512	285	384	172,284	163,845
Coffee, tea, cocoa, spices, etc. (mt)	1,635	1,632	5,750,716	4,327,047	98	121	307,215	283,246
Coffee, green (mt)	1,105	987	4,165,693	2,799,720	64	69	217,129	163,920
Cocoa beans (mt)	140	246	398,624	478,474	8	21	20,009	38,499
Feeds and fodders	—	—	86,577	110,141	—	—	7,444	10,109
Protein meal (mt)	31	40	5,144	8,160	2	6	363	976
Beverages, incl. distilled alcohol (HL)	9,186	10,136	1,034,578	1,130,835	859	885	99,773	90,665
Tobacco, unmanufactured (mt)	169	160	401,815	365,053	12	15	30,870	36,575
Hides, skins, and furskins	—	—	227,441	280,515	—	—	19,484	21,182
Oilseeds	—	—	52,461	378,060	—	—	3,439	7,400
Soybeans (mt)	1	11	222	3,682	(¹)	(¹)	1	36
Wool, unmanufactured (mt)	32	43	108,445	151,653	2	2	8,205	7,431
Cotton, unmanufactured (mt)	22	13	8,766	9,817	1	1	772	518
Fats, oils, and greases (mt)	8	13	6,921	9,539	1	1	489	955
Vegetable oils and waxes (mt)	649	831	559,803	521,911	44	63	32,871	39,820
Rubber and allied gums (mt)	629	627	834,432	767,261	58	64	75,626	71,638
Other	—	—	730,852	764,090	—	—	60,710	67,601
Total	—	—	17,275,798	17,216,794	—	—	1,238,020	1,278,729

¹ Less than 500,000. Note: 1 metric ton (mt) = 2,204.622 lb; 1 hectoliter (hl) = 100 liters = 26.42008 gal.

Transportation Data

Rail rates, grain and fruit and vegetable shipments

	Annual			1980	1981					
	1978	1979	1980	Oct	May	June	July	Aug	Sept	Oct
Rail freight rate index ¹										
All products (1969=100)	213.0	243.4	285.4	299.0	321.0	324.3	333.2	333.5	333.6	337.6
Farm products (1969=100)	204.9	235.0	271.8	282.8	304.6	306.8	314.5	315.1	315.5	319.3
Grain (Dec. 1978=100)	n.a.	106.9	127.5	133.6	144.0	145.5	149.5	149.5	150.1	152.1
Food products (1969=100)	210.0	239.5	283.7	300.0	323.1	326.1	333.8	334.8	334.8	340.0
Rail carloadings of grain (thou. cars) ²	25.8	27.5	30.1	34.0	21.3	28.3	33.2	26.2	32.1	25.6
Barge shipments of grain (mil. bu.) ³	31.3	31.2	36.7	42.6	39.4	37.4	35.1	45.4	42.8	40.9
Fresh fruit and vegetable shipments										
Rail (thou. cwt.) ^{3,4,5}	915	806	1,218	74.8	873	1,153	644	398	480	538
Truck (thou. cwt.) ^{3,4,5}	7,322	7,558	7,594	720.1	9,717	9,873	8,200	7,318	6,040	6,799

¹ Department of Labor, Bureau of Labor Statistics. ² Weekly average; from Association of American Railroads. ³ Weekly average; from Agricultural Marketing Service, USDA. ⁴ Preliminary data for 1980. ⁵ Typical truck loads are about 40,000 pounds and average railcar loads in 1975 were about 60,000 pounds. n.a. not available.

World Agricultural Production

World supply and utilization of major crops

	1974/75	1975/76	1976/77	1977/78	1978/79	1979/80	1980/81	1981/82 ¹
	Mil. units							
Wheat:								
Area (hectare)	219.8	224.8	232.5	226.4	228.3	227.6	235.6	236.1
Production (metric ton)	357.3	350.6	421.2	383.8	446.6	422.3	438.6	448.4
Exports (metric ton) ²	63.9	66.7	63.1	73.0	72.0	86.5	93.5	102.6
Consumption (metric ton) ³	363.8	351.7	385.2	398.5	430.0	444.0	444.5	447.5
Ending stocks (metric ton) ⁴	63.9	62.8	98.8	84.0	100.8	79.1	73.2	74.1
Coarse grains:								
Area (hectare)	342.8	350.2	344.6	345.0	342.6	340.8	340.7	342.2
Production (metric ton)	628.5	645.3	704.4	700.9	753.8	740.0	725.6	766.1
Exports (metric ton) ²	63.4	76.4	82.5	84.0	90.1	100.8	106.1	109.9
Consumption (metric ton) ³	634.7	645.9	685.4	692.4	747.4	741.3	737.8	747.6
Ending stocks (metric ton) ⁴	57.3	56.7	75.6	84.1	90.8	89.5	77.2	95.6
Rice, milled:								
Area (hectare)	137.8	142.8	141.6	142.9	142.5	141.5	143.2	144.8
Production (metric ton)	227.3	243.1	236.2	248.9	259.2	263.9	265.4	274.9
Exports (metric ton) ⁴	7.8	9.0	10.5	9.5	11.8	12.5	13.0	11.8
Consumption (metric ton) ³	228.9	235.5	237.5	243.1	254.7	257.8	266.5	273.7
Ending stocks (metric ton) ⁴	11.3	18.9	17.6	23.6	28.6	24.7	23.6	24.7
Total grains:								
Area (hectare)	700.4	717.8	718.7	714.3	713.4	709.9	719.5	723.1
Production (metric ton)	1,213.1	1,239.0	1,361.8	1,333.6	1,459.6	1,418.2	1,429.6	1,489.4
Exports (metric ton) ²	135.1	152.1	156.1	166.5	173.9	199.8	211.8	224.3
Consumption (metric ton) ³	1,227.4	1,233.1	1,308.1	1,334.0	1,432.1	1,443.1	1,448.8	1,468.8
Ending stocks (metric ton) ⁴	132.5	138.4	192.0	191.7	220.2	193.3	174.0	194.4
Oilseeds and meals: ^{5,6}								
Production (metric ton)	65.1	73.3	66.7	78.6	83.4	95.8	85.6	93.4
Trade (metric ton)	27.7	33.8	33.9	38.8	40.6	46.2	44.1	46.0
Fats and Oil: ⁴								
Production (metric ton)	46.2	49.3	47.4	52.4	54.4	59.1	57.0	59.2
Trade (metric ton)	14.0	16.1	16.9	18.3	19.3	20.8	20.0	20.8
Cotton:								
Area (hectare)	33.4	29.8	30.7	32.8	32.4	32.0	32.5	33.5
Production (bale)	64.5	54.0	56.7	64.1	60.1	65.6	65.4	70.9
Exports (bale)	17.5	19.1	17.6	19.1	19.8	22.6	19.9	20.5
Consumption (bale)	58.7	61.1	60.6	60.0	62.8	65.3	65.6	67.1
Ending stocks (bale)	30.9	24.0	20.4	25.0	22.0	22.4	22.2	25.6

¹ Forecast. ² Excludes intra-EC trade. ³ Where stocks data not available (excluding USSR), consumption includes stocks changes. ⁴ Stocks data are based on differing marketing years and do not represent levels at a given date. Data not available for all countries; includes estimated change in USSR grain stocks but not absolute level. ⁵ Soybean meal equivalent. ⁶ Calendar Year data. 1975 data corresponds with 1974/75. 1976 data with 1975/76, etc.

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